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PARIS, WEDNESDAY, NOVEMBER 18, 1981

By Martin Schram

and Walter Pincus

Washington Post Service

WASHINGTON - President Reagan will deliver the first major foreign policy speech of his presidency Wednesday morning, on reducing the threat of limited nuclear war in

Mr. Reagan will speak as fears have been growing follow-

ing his and his advisers' impromptu comments on the possi-

ble use of atomic weapons in Europe.
White House officials said that the speech, which they are

calling a "major address." has been "under consideration for a while." Mr. Reagan is expected to announce that the

U.S. goal in forthcoming European theater weapons negoti-ations will be to reduce to zero all medium-range nuclear missiles held by the North Adantic Treaty Organization and

Warsaw Pact forces. The talks open in Geneva on Nov. 30. The decision to deliver the speech Wednesday at the National Press Club was made this week, however, as presidenEstablished 1887



British Northern Ireland Secretary James Prior is escorted into Dundonald Presbyterian Church in Belfast by policemen and bodyguards. An aide holds a protective hand over Mr. Prior's head as angry mourners for the Rev. Robert Bradford jostled the minister, and some stones were thrown.

### Prior Jostled by Belfast Mourners As a Protestant Backlash Swells

BELFAST — A throng of mourners shouted "murderer" and jostled Britain's Northern Ireland Secretary James Prior on Tuesday in a swelling Protestant backlash against the assassination of the Rev. Robert Bradford, the hard-line Unionist member of Parlia-

Mr. Prior was visibly shaken af-

ter the incident but unhurt. Hours later, gummen shot to death a soldier of the predomi-nantly Protestant Ulster Defense Regiment in Maguire'sbridge, police reported,

Also, gunmen believed to be Protestant extremists shot and killed a Roman Catholic youth, the Irish Republican Army shot and seriously wounded a police reservist and another reservist shot last week by the IRA died in a hospital. A Roman Catholic housing executive was also shot to death.

The surge in violence prompted all leave in the province.

### Paisley's Comments

Meanwhile, the Protestant mili-tant, Rev. Ian Paisley, fleshed out his plan to paralyze government in the province and said he was "taking [Prime Minister] Margaret Thatcher's scepter, breaking it across her knees and throwing it

ADDIS ABABA — Ethiopian

officials have taken over the head-

quarters of the country's major

Protestant denomination at gun-point in a move that could have

far-reaching impact on the government's tentative efforts to improve

relations with - and boost aid

The seizure Monday is likely to revive charges abroad that the pro-

Soviet government is persecuting Christians despite Ethiopia's long history as a bastion of Christianity

The Rev. Paisley, who on Mon-day with two hard-line Unionist colleagues was suspended from the British Parliament, said that his followers would ostracize British ministers and that district councillors of his Democratic Unionist Party would withdraw cooperation from the British government.

Northern Ireland is governed mainly from London, however, and local councils have few powers. Earlier, the funeral was held for Ken Campbell, who was killed by IRA gummen fleeing from the south Belfast community center where Rev. Bradford was killed.

### Bradford Mourners

In Belfast's small Roman Catholic enclave of Short Strand, the funeral went ahead for Thomas. McNulty, 18; who was the victim of an apparent revenge killing Sat-urday night in the aftermath of Rev. Bradford's death,

About 4,000 people clossed Bei fast's war memorial for a remembrance service for Rev. Bradford, and another 15,000 staged similar demonstrations around the prov-

Part of a crowd of 2,000 people waiting outside Dundonald Presbyterian Church for Rev. Brad-ford's funeral raced toward Mr. Prior when he arrived in his ar-

Ethiopia Seizes Protestant Office;

Bodygnards and armed police scuffled with the crowd, which threw stones and chanted, "Murderer, murderer go home!" and "You're a killer, you're a guilty man!" before Mr. Prior was escorted by policemen and bodyguards into the church through a side

When Mr. Prior emerged from the service, he was jostled again and his car was thumped. Several persons were slightly injured in the

Mr. Prior was not struck but clearly was shaken by the anger of Protestants who feel that poor se-curity and the negotiations between London and Dublin to set up an intergovernmental council had served to encourage the IRA to kill the Rev. Bradford.

### **FitzGerald Comments**

DUBLIN (UPI) - Premier Garret FitzGerald said on Tuesday on, at least for now. the IRA killed Rev. Bradford to incite Protestant vengeance on Roman Catholics.

"The killers of Mr. Bradford want to incite vengeance among loyalist [Protestant] extremists and thus to expose once more to murderous retaliation the Catholics of Northern Ireland," Mr. FitzGerald told the Dublin parliament in one of his strongest-worded speeches

### tial advisers apparently were auxious to generate major sub-stantive news after the president was buffeted by the con-troversies, not of his doing, involving David A. Stockman, the director of the Office of Management and Budget, and national security adviser Richard V. Allen. Reagan Undermined, **Some Top Aides Fear**

New York Times Service

WASHINGTON -- Despite an outward White House show of having firmly weathered the recent embarrassing revelations about two top presidential aides, some senior administration officials are privately fearful that President Reagan's interests are being mis-takenly sacrificed to protect the wo men under fire.

Privately, several Cabinet and

### **NEWS ANALYSIS**

other senior officials have said they believe that both David A. Stockman, the director of the Office of Management and Budget, and Richard V. Allen, the presi-dent's national security adviser, should have resigned rather than let their actions tarnish Mr. Reagan's public image or damage

the prospects for his policies.
"I think the president loses credibility through these things," said a Cabinet-level official. "It looks as though people felt it was more important to protect the president's men than to protect the president himself," said another senior official. Others demurred, defending the decision to keep the two men

One top closed that before Mr. Reagan met last Thursday with Mr. Stockman to reprimand him for having made damaging revelations in an inter-view that appeared in The Adantic Monthly, some senior White House officials recommended that he let Mr. Stockman go. "There was divided counsel," this official said. "And the president himself did not want to go that far."

On Mr. Allen, who was given a \$1,000 cash payment from a Japanese publication last January, the president and his top aides op-posed taking action until the Jus-tice Department completed a pre-liminary investigation, probably within the next 10 days. The White

House itself triggered the investigation by reporting this incident to the Justice Department when the funds were found in mid-September, officials said. But White House officials re-

gard the decisions to keep both men as temporary and subject to reconsideration. Mr. Stockman, they said, was being given a second chance to prove that he can repair his damaged credibility and continue to work effectively for the president's economic preserve. president's economic program. "If it doesn't work out well in

the next four weeks, or six weeks, I think Stockman himself is going to have to come in and say 'I'd better go.' Frankly, I don't see bow be can survive this thing." said one of

"Obviously Stockman's credibil-ity as a spokesman has been damconceded Commerce Secretary Malcolm Baldrige. But I think he's too good a man to lose if things are handled right from now There are other officials who

been undermined. "After what Dave Stockman has done, how can you discipline any Cabinet mem-ber who steps out of line," said a frustrated senior official. "Anyone can now ask, 'What

can I do that is bad enough to get me fired?" said another, like-minded official.

Senior White House officials were noticeably uncomfortable

The president has come under sharp criticism in Europe recently after he told a group of editors, in answer to a bypothetical question, that "I could see where you could have the exchange of tactical weapons against troops in the field without it bringing eather one of the major powers to pushing the button."

Reagan May Ask an End to All Theater Missiles

The statement was consistent with longstanding NATO understandings but it touched off a wave of criticism in Europe, where there are fears that the continent may become the battleground for a U.S.-Soviet nuclear clash,

Those fears were heightened when Secretary of State Alexander M. Haig Jr. and Defense Secretary Caspar W. Weinberger publicly disagreed over the nuclear policy in Europe. First, Mr. Haig testified on Capitol Hill that NATO has had a contingency plan permitting detonation of a nuclear secretary. a nuclear weapon in an unpopulated area in the event of Soviet attack to warn that nuclear weapons could be used.

The next day Mr. Weinberger testified that there was no such plan. And the matter was further complicated last week when Mr. Reagan said at a press conference that he had received no answer as to which of his advisers was

At the press conference, Mr. Reagan also said that he hoped that the forthcoming talks on theater nuclear weap-

President Reagan

with Mr. Allen's case and some

were shaky in their support of him, even though he said he had not profited personally but had taken the money on behalf of the govern-

An official recalled that near the

end of the 1980 presidential cam-paign, Mr. Allen had been sus-pended for a time as Mr. Reagan's

foreign policy adviser because of

press reports questioning whether, he had used former government

positions to arrange profitable pri-

vate business deals with foreigners,

that because of persistent differ-ences between Mr. Allen and Sec-

retary of State Alexander M. Haig

Jr., the president's inner circle had

been considering replacing Mr. Al-

len before the present spate of troubles developed, and that now

such plans were suspended, at least

until the Justice Department m-

quiry is completed.

Ironically, a senior official said

ons would lead to "what I bope will be reduction of [these weapons] in Europe to the lowest point possible."

### Schmidt 'Very Thankful'

BONN (AP) — Chancellor Helmut Schmidt said Tuesday that he is "very thankful" that the United States will discuss ridding Europe of medium-range nuclear missiles during the forthcoming arms control talks.

In an television interview Tuesday, Mr. Schmidt said that the Americans had taken up the negotiating position at the suggestion of his government. He said that he sees the "zero opuon" as a "realistic" goal.

### **EEC Move to Bar Missiles**

STRASBOURG (Reuters) - Twenty-four members of the European Parliament presented a motion Tuesday calling for the rejection of planned new NATO medium-range nuclear missiles and the dismantling of SS-20 missiles already installed by the Soviet Union.

### **Moderate Arab Leader** On West Bank Is Shot

By William Claiborne

Washington Post Service RAMALLAH, Israeli-Occupied West Bank - A new phase in the struggle between radical national-ist supporters of the Palestine Liberation Organization and moderate Arabs in the West Bank appeared to have begun Tuesday with the attempted assassination of a moderate local leader and the murder of his son,

Yousef Khatib, 60, president of the Ramallah region Village League, was in critical condition in Jerusalem's Hadassah Hospital after he was shot in the head. His son, Kazim, 23, was killed when gunmen opened fire on their car as they were driving to the Village League offices. The gunmen es-

The assassination attempt was the first reported against the head of a branch of the Village League, the centerpiece of a broad plan by Israeli occupation authorities to build a base of moderate Palestinians in the West Bank in bopes of weaning them away from the radi-cal PLO politics and possibly incorporating them into the self-goveming council envisioned in the Camp David accords.

Meanwhile, in a Nablus military court, four Palestinians who were convicted in the April, 1980, ambush killing of six Jewish settlers in Hebron and the wounding of 17 others, were sentenced to life imprisonment.

### Threats Made

The Voice of Palestine Radio in Beirut had broadcast threats against Mr. Khatib, and two months ago leaflets began appear-ing in Ramallah warning officials of the Village League to stop col-laborating with Israeli authorities.

Mr. Khatib, headman of the nearby village of Baleen, had been president of the Ramallah region league since last December and often traveled with an escort of 1sraeli Army troops. However, he was unaccompanied by Israelis Tuesday morning when gunmen opened fire at a crossroads about

two miles west of here. League officials in Mr. Khatib's offices refused to talk with a re-porter, but Mustafa Dudeen, president of the Hebron-based central offices of the West Bank League of Villages, condemned the shootings and said be would not be intimidated from forming new league

These people take revenge in the Arab fashion ... We believe these political assassinations will give a very bad atmosphere in the [occupied] areas," said Mr. Du-deen, a Palestinian who the Israelis allowed to return to the West Bank after serving in the Jordanian and Egyptian governments.

### Has Israeli Guard

Mr. Dudeen said be would not be intimidated, noting that he has a 24-hour Israeli protective guard. The Ramallah area Village League is the smallest of three that have been established by the West Bank military government in the past two years. Mr. Dudeen said it encompasses several vill combined population of 10,000, compared to the 73 villages be claims to have collisted in the He-bron area. A Village League has been established in the Bethlehem area and another is being formed

in Nablus, Mr. Dudeen said. However, Palestinian nationalist leaders said the leagues have failed to gain popular support, and, in fact, consist only of a few "Quislings" who have long been collabo-rating with Israeli occupation au-

The Village League plan was conceived by the new civilian ad-ministrator of the West Bank and Gaza Strip, Menacheni Milson, when he was Arab affairs adviser to the military governor. Writing recently in Commentary magazine. Mr. Milson said that PLO intimidation has stifled moderate voices in the West Bank and that Israel must create conditions within

### to express their views openly." 'Carrot and Stick'

which moderates ... will be able

Mr. Milson and the occupation command has conducted a "carrot and stick" policy involving harsh crackdowns on militants and incentive rewards for moderates

In the last two days the government has dynamited the houses of families whose members included persons charged with security offenses and has arrested scores of Palestinians for interrogation. In contrast, moderates have been rewarded with leniency in the granting of privileges such as trav-el permits. Bethlehem Mayor Elias Freig

said, "If anyone has any illusion that by such severe punishment the people will be subdued are wrong. Violence breeds violence and hatred breeds hatred. It will increase the hatred and make life in the occupied areas more difficult."



SOVIET LEADERS MEET - Soviet President Leonid I. the middle row, from left, are Supreme Soviet Vice Chairman Brezhnev, lower right, discussing reports with Premier Nikolai A. Tikhonov, who is regarded by some as a possible successor to the 75-year-old leader, at Tuesday's Supreme Soviet session in Moscow. Politburo members Andrei Kirilenko, far left, and Mikhail A. Suslov are also in the front row. In and Foreign Minister Andrei A. Gromyko. Story, Page 2.

Vasily Kuznetsov and members Mikhail Gorbachev, Arvid Pelshe and Mikhail Solomentsev. In the back row, from left, are Supreme Soviet member Grigory Romanov, Defense Minister Dmitri F. Ustinov, KGB Chief Yuri V. Andropov

### Sattar Reportedly Thwarted Plan for Military Takeover

By Michael T. Kaufman New York Times Service

DACCA, Bangladesh — Abdus Sattar, the 75-year-old judge elect-ed president of Bangladesh, reportedly thwarted a plan by army officers during the campaign to install him as the civilian head of a military regime.

Mr. Sanar, who won a sweeping victory in Sunday's election, which is being challenged as unfair by his leading opponent, had originally been persuaded to seek the presi dency by leading army figures. At the time, just after the assassina-tion of President Ziaur Rahman, Mr. Sattar, then the vice president, was hospitalized with serious ail-

He told close aides that he paign, but changed his mind in the

tegrate without his candidacy.

According to highly placed sources, Lt. Gen. H.M. Ershad, 47, the country's chief of staff, made the most telling arguments for Mr. Sattar's entry into the race. But as the campaign developed and the opposition Awami League was drawing large crowds, some army officers reportedly became hesi-

At one point, Gen. Ershad put to Mr. Sattar a suggestion for a military takeover that had been discussed by army leaders. Mr. Sattar rejected the idea immediately and told the officers that if they moved to seize power he would immediately retire to his house in

Maj. Gen. Mohabbat Chowdhu-

face of arguments that the party built around the charismatic personality of Gen. Zia could disintary position, reportedly conducted a secret nationwide poll, which showed that Mr. Sattar was run-

ning well ahead. Once this was cir-

culated, talk of military intervention dissipated. According to the highly placed sources, Mr. Sattar, a former Supreme Court justice, has shown himself to be a tough and stubborn leader who is not prepared to compromise a lifelong commitment to

due process and constitutional cor-At the presidential palace Mon-day night, Mr. Sattar said that he had no intention of expanding the role of the army, as Gen. Ershad had suggested in a recent interview

with a British journalist. "The army has a role to protect the sovereignty of the country and I don't

think any other role is possible," he said.

(he election commission said Tuesday that Mr. Sattar captured 14.21 million votes, nearly triple the 5.69 million votes for Mr. Kamal Hossain, leader of the Awarni League, United Press International reported. An official said the official result may not be announced for another week because ballots cast in isolated polling stations

must be brought to Dacca.]
Mr. Sattar claimed that the election had been held "peacefully and in a most free and fair way all over the country," and he termed the poll the "freest and fairest election ever held in this part of the world."

The opposition continued Monday to dispute such assertions, citing incidents of alleged intimidation at the polls and charging that through his control over the media and having military transport at his disposal, the government candidate had an unfair advantage. [UPI reported that Mr. Hossain called Monday for a protest march Wednesday, a mass rally in Dacca Saturday and a national protest

### **Devaluation Is Ruled Out**

day on Monday.]

DACCA, Bangladesh (Reuters)

— Mr. Sattar said that Bangladesh would not devalue its currency at the behest of the International Monetary Fund. The IMF announced recently that it had with-held \$1 billion in loans to Bangladesh to force the country to end deficit financing.

Mr. Sattar said an IMF team was arriving in Dacca soon for talks and he was confident the government would be able to satisfy all IMF requirements.

in Africa.
The Ethiopian Evangelical Church, whose building was seized, groups various Scandinavi-an and German Lutheran denominations as well as most of the halfmillion Protestants in the country. About 40 percent of Ethiopia's 31 million people are Ethiopian Orthodox Christians and about 45 percent are Moslems.

It is far from clear whether the takeover of the eight-story building was simply an anti-religious move or whether other mouves were involved.

 $v = \{1, 1, 2, 2\}$ 

no reason, and officials have declined repeated requests for com-Although some churches in the countryside were closed earlier this year, the current move was limited

to the headquarters of the church.

Church officials were given 24 bours to vacate the property last Wednesday, but they stalled until Monday secking a letter of expla-nation. A church source said the keys were finally turned over to a government official who came with live armed soldiers on his third attempt to take possession. Church officials vainly sought assurances they would be given another office. Over the weekend the Swedish

No Reason Given

Mengisty Haile Mariam has given

The government of Lt. Col.

government sent a message to the Ethiopian Foreign Ministry de-manding reconsideration of the decision and saying it could have an impact on Sweden's \$20 million in annual aid to Ethiopia, the largest amount of sid it receives from any

message was carefully phrased not to contest Ethiopia's right to expropriate property, but asked that the process be slowed to allow for further consideration. Foreign Minister Col. Feleke Gedle-Giorgis, who was educated at a Lutheran mission school, said he

would study the matter. At best, sources said, the government may agree to provide the church with an alternate location.

Strapped for foreign currency and unhappy with the level of So-viet aid, Col. Mengistu made ten-tative approaches to Western Eu-

### INSIDE

### Hepatitis Vaccine

The U.S. Food and Drug Administration announces approval of a vaccine against hepatitis B virus, a major cause of liver disease throughout the world. Page 5.

### Democrats Win

In Washington, House Democrats win their first major fiscal victory of the year, defeating an administration effort to make further reductions in a \$440-billion stopgap funding bill. Page 3.

### The Netherlands

The Netherlands is experiencing a period of political turbulence, complicated by economie issues. A supplement, Focus on The Netherlands, appears on pages 7S-18S.

### GM Campaign

General Motors has started a campaign to convince workers to "reduce or eliminate unrealistic expectations about economic gains in the forthcoming contract negotiations."
Page 19.

**Move Could Hurt Ties With West** rope this year. The United States. Ethiopia's key supporter during the reign of Emperor Haile Selas-

sie, was not approached. New charges of religic is harass-ment could damage the Ethiopian cause. In 1979, Christians were ordered to register in some parts of Ethiopia, and sources said Christians in some towns were given 15

### days to renounce their religion.

One Western diplomat warned of repercussions after the seizure Monday, saying, "They don't know what stupidity they've done yet, but they it find our soon."

The incident appears to be an example of how the government's often arbitrary actions, carried out at shadowy levels of the ruling mil-itary council, the Dergue, can work at cross-purposes with broader government policy.

The seizure was ordered as an American Lutheran delegation was visiting the country to examine church aid projects. Earlier this year an official in the northern city of Asmara ordered the seizure of the Italian consulate while delicate negotiations were under way in Addis Ababa, the capital, with

Italian officials, Property seizures have been common under the Marxist government; it is possible the state se-curity official who ordered the takeover last Wednesday did not attach any great significance to the

Ethiopia has taken other antichurch actions recently. In the western Welega region, 160 pastors and church leaders, all Ethiopians, were arrested in the last six months. Most reportedly have been released, but the pastors' movements are restricted, preventing them from serving several congregations as they traditionally

Some churches have been closed. Movements of the 200 foreign missionaries, mostly Scandi-navian, are limited. Nevertheless. Christian leaders

say church participation has risen feared he would be unable to camsignificantly since the 1974 revolu-

### Russia Says U.S., China **Blocking Afghan Peace**

The Associated Press
UNITED NATIONS, N.Y. — The Soviet Union accused the United States and China of blocking political settlement of the conflict in Afghanistan. thereby delaying withdrawal of the 85,000 Soviet troops who entered the country 23 months ago.

Soviet Ambassador Oleg A.

Describing the Soviet forces as being "bogged down" in Afghanistan. Mr. Qing said that "history has proved that the aggressors would never consider troops with arwal unless they have been hit hard on the battlefield and isolated by the international community."

The United States is to speak

Soviet Ambassador Oleg A. Troyanovsky said at the UN Gen-eral Assembly that the United States and China sought "to preserve a seat of tension in South-west Asia for the sake of their sel-

fish objectives."
About 85,000 Soviet troops entered Afghanistan in December. 1979, to help install the pro-Marx-ist regime of President Babrak Karmal and suppress Moslem rebels trying to overthrow the Karmal

The General Assembly opened debate Monday on the Afghan sit-uation and its implications for international peace and security.

Mr. troyanovsky told the assembly that a visit to Peking last summer by Secretary of State Alexander M. Haig Jr. "clearly had as one of its main purposes the making of China a transshipment base for supplying arms to Afghan counterrevolutionary organiza-

He said. "Those who, like the United States and China, harp more than anyone else on the subject of the presence of Soviet troops in Afghanistan, bave in fact, taken the lead in raising obstacles on the road of a political settlement ... and, consequently, obstacles to the withdrawal of the limited Soviet military contingent

from Afghan territory."
Chinese Ambassador Ling Qing denied that his country bad interfered in Afghanistan's internal affairs. He said that Russian troops were building permanent facilities and fortifications in Afghanistan, showing that they had no inclination to leave the coun-

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later in the debate.
Mr. Troyanovsky offered words to mediate between Afghanistan and Pakistan to arrive at a political settlement. Both Moscow and the Kabul government were cool toward the UN initiative when it was launched early this year.

The General Assembly has be fore it a resolution sponsored by Pakistan and 43 other Islamic and Third World countries, which would again call for immediate withdrawal of foreign troops from Afghanistan.

### Afghanistan Refugees

UNITED NATIONS, N.Y. (UPI) - A high Pakistani official has said that no less than one-fifth of Afghanistan's 16 million population has fled into Pakistan and Iran since the Soviet intervention in December, 1979.

"Nearly 2.5 million Afghan men, women and children have taken shelter in Pakistan alone," S. Shah Nawaz, Pakistan's Secretary General for Foreign Affairs, de-clared at the UN General Assem-

### Woman Killed in Raid

ISLAMABAD, Pakistan (AP) A woman was killed and 12 persons were injured Tuesday in Pakistan by Afghan belicopters, in the second Afghan raid on a border area in two days, an official spokesman said.

Two men were wounded Monday when helicopters strafed Af-ghan refugees camps in the same area, the spokesman said.

As opposition to the NATO plan grew among Social Democrats this year, Mr. Schmidt said in May that "I stand or I fall" with the NATO decision. The issue was expected to come to a head in a expected to come to a bead in a vote at a special party convention in April of next year in Munich.

Now the party leaders appear to have found what looks like an out for Mr. Schmidt. With U.S.-Soviet tiegotiations on the possible elimination of such weapons scheduled to begin in Geneva on Nov. 30, they said in substance that it would be hasty to make a judg-ment on their progress so soon after their start.

Prices in China

For Cigarettes,

Liquors Raised

PEKING — Long lines formed at tobacco and liquor counters Tuesday night as the government announced price

increases of up to 40 percent from midnight.

quoted a price commission offi-cial as saying tobacco and li-quor prices had to rise because the cost of raw materials had

increased and some factories

were losing money. But Peking radio said another reason was to help balance the state budg-et, which bas been in deficit for

The 40-percent increases ap-

ply to only top quality liquor and cigarettes, while the cheap-

est eigarettes remain un-changed at 17 fen (10 cents) a

By John Vinocur

BONN - The Social Democrat-

ic Party moved Tuesday to free

Chancellor Helmut Schmidt from

a situation next April in which he would have to confront a threat be

The party's executive board and executive council were described

after two days of meetings here as

being favorable to a suggestion that would avoid a formal yes-no

vote in April on the party's willing-

ness to continue its support of NATO decisions on deployment of

middle-range nuclear missiles in

West Germany.

made earlier this year to resign.

New York Times Service

Schmidt's Party Acts to Free

Him From Threat to Resign

The Chinese news agency

Peter Glotz, the party's national manager, said: "It doesn't make sense to ask the question 'ves' or 'no' at such an early point or to make concrete suggestions or de-mands concerning the negotia-

made yet on bow to get around the vote, adopted as a condition of support for the NATO decision at

**Weatheralls 563 05 50** 

### Russia Plans a Drop In Capital Investment

By Serge Schmemann

New York Times Service

MOSCOW — Soviet planners on

Tuesday reported a poor start in the current five-year plan and a sizeable reduction in projected capital investment. But they still announced that they planned to stick with most economic goals set by the Communist Party through 1985.

If they are to be met, the targets announced before the Supreme So-viet by Nikolai K. Baibakov, chairman of the State Planning Com-mittee, would require four succes-sive harvests of a level never previ-ously approached and a dramatic

upturn in labor productivity.

Mr. Baibakov presented the final version of the 1981-1985 plan for final approval by the Supreme Soviet, the nominal legislature of the Soviet Union. On most key

the party's last national conven-

tion in West Berlin in 1979. But it was clear the party leadership has

A statement said that although security and disarmament ques-tions would be discussed in Mu-

nich, the major theme would be employment, a growing and more immediate problem if the party is

to hold on to voters in a series of

support for a proposal by Willy Brandt, the party chairman, to as-

sess the deployment decision and

their accompanying negotiations at a special party meeting in the fall of 1983. This would come be-

fore the proposed target date for

the start of deployment of Pershing and Cruise missiles in West Germany at the end of 1983.

The party's plan of action would effectively free Mr. Schmidt of a psychological load that could have limited his effectiveness in the

months leading up to the meeting in April. There bave been a series

of regional party meetings since September, and at least two of the

regional conferences bave rejected

the NATO decision.
Some of Mr. Schmidt's aides felt

Mr. Glotz said there was wide

regional elections next year.

### lower end of figures proposed last February by the Communist Party

Despite the grim picture of the food problem painted Monday by Leonid I. Brezhnev, the Soviet president, in a speech to the party's Central Committee, Mr. Baibakov said that the government stood by its plan of harvesting an average of 239-million tons of grain a year over the five-year peri-

Like Mr. Brezhnev, Mr. Baibakov avoided reporting the size of this year's harvest, which U.S. gov-ernment experts bave estimated at no more than 175-million tons. If that prediction proves right. Soviet farmers will have to produce an average of 255-million tons over the next four years. The largest harvest ever reported by Moscov was 237.5-million tons in 1978.

The announcement of such high hopes appeared intended as an ex-pression of faith in a comprehen-sive food program that Mr. Bre-zhnev pledged Monday would set right the entire system of Soviet

food supply.

Western diplomats focused particular attention on announcements first by Mr. Brezhnev and then by Mr. Baibakov that Mos-cow planned to trim projected cap-ital investments by 30 billion rubles (\$42 billion), or to an increase of 10.4 percent instead of the 12-to-15 percent asked by the party in February.

### More Realistic Assessment

Mr. Brezhnev explained the reduction as a reflection of a more realistic assessment of resources and needs. But diplomats also noted the Soviet leader's reference to problems posed by "the compli-cation of the international situa-tion," and speculated that a large part of the resources slated for investment may have been chan-neled to the military to meet the challenge perceived by Moscow in

the Reagan administration's mili-tary buildup program.

Officially, Finance Minister Va-sily F. Garbuzov announced that the Soviet defense budget next year would be 17.05 billion rubles (\$24 billion), the same as last year.

Western analysts generally dis-count the published figures, believ-ing that many military expendi-tures are concealed in other por-tions of the budget. Keeping the figure unchanged, they said, sug-gested an effort by Moscow to undermine Western charges of a

### be would have been victorious in any case in April and that postponing the issue would continue its life. **Economic Factors Blamed**

NEW YORK — Exxon's decision to withdraw from its Libyan oil and gas operations apparently was based on economic factors and not political tensions between the United States and Libya, an to \$2 per barrel profit to be viable authoritative oil journal bas rein the long term," the magazine

Mobil, which also has a production-sharing agreement with Libya, sales agreements with Libya for said Monday that it had stopped buying Libyan crude for its own

Asked if Mobil bad reached a decision yet on whether to follow Exxon in pulling out of Libya, Mobil spokesman John Flynt said, We're reviewing the situation."

Petroleum Intelligence Weekly said that Exxon — like most other foreign companies producing oil in Libya — has been losing up to \$3 a barrel on the crude that it purcbased from the North African

### Separate Motivations

"Thus, its motivations were separate from concurrent Reagan administration pressure on Libya's revolutionary regime for its alleged connections with international terrorism," the weekly said.

A spokeman for Exxon, the largest U.S. oil company, said that talks still are under way with the Libyan government on details of the withdrawal, which involves §3 Americans and 290 expatriates working in Libya.

Before its decision to pull out, Exxon's production of Libyan crude had fallen to between 30,000 and 40,000 barrels a day from 750,000 barrels daily in the late

Industry analysts estimate that Libya has been forced to slash output to about 700,000 barrels a day from 1.7 million barrels daily early this year because of buyer resistance to its overpriced crude.

Before Exxon announced its

pullout, the company had halted purchases of its own share of Li-byan equity crude. An earlier 30-cents to 50-cents per barrel profit margin had been swallowed up by costs, especially as production fell sharply," the magazine said.

### Manila Roof Collapses; At Least 26 Are Dead

From Agency Dispatches

MANILA — The roof of a sixtion collapsed Tuesday, and workers said 26 persons were killed and dozens more trapped under tons of

Rescue workers feared at least 30 were buried under what was to have been the main theater in a cinema complex that Imelda Marcos, wife of the president, ordered built on reclaimed land for an international film festival in Janu-

### 2011 Million galatin in committee THIS MONTH HARRY'S N.Y. BAR ®

is 70 years old in Paris
and 7 years young in Munich nd 7 years young in Munic and seen on M/S ASTOR

There was no final decision For Exxon Pullout in Libya Several other U.S. oil companies operating in Libya told Petroleum

Intelligence Weekly that their withdrawal is "inevitable unless the Libyans restore incentives." "Some say they need at least \$1 to \$2 per barrel profit to be viable

U.S. firms still are negotiating

### **OPEC Solidarity Urged**

ALGIERS (AP) -- The Organization of Petroleum Exporting Countries should show its solidarity with Libya after the pullout of Exxon, according to OPEC Secre-tary-General Saturnin Marc N'Guema.

Speaking over Algerian radio and television late Monday, be called the oil company's withdraw-al from Libya a "unilateral rupture of the contract linking the affiliates of Exxon with that country and said "it is the right of OPEC member countries to apply the statutes of the organization and more precisely Article 4 which foresees this kind of eventuality" and calls on members to reject any offer of preferential treatment.

August — would mean "a tragedy whose dimensions are hard to

labor movement to join a form of national front to solve the long crisis. The union has indicated that it is unlikely to agree to such as coa-

ernment's decisions was not released but a summary on the offi-cial news agency PAP said the gov-

### Zairians Deployed in Chad As Libyans Finish Pullout

By Edward Cody Washington Post Service

PARIS - Libyan troops have completed their pullout from the Chadian capital of Ndjamena and Zairian units are taking up positions there as the first contingent of an African peacekeeping force, whose task appears increasingly difficult. according to reports

reaching Paris.
Confusion and delay surround ing efforts by the Organization of African Unity to get the peace-keeping force into place under-lined the precariousness of its mission in a country torn apart by a decade-old civil war that has flared up anew in the last week as the Li-

The United States and France have proclaimed their willingness to help the central African country, seeking to demonstrate to President Goukouni Oueddei that he can get along without the smothering embrace of Libya's Col. Meamer Qadhafi. But now that Col. Qadhafi has ordered his troops to leave, neither Washing-ton nor Paris — nor even the OAU countries — seems eager to be-come deeply involved in the Cha-

'Financial, Logistical Help' France has, for the last month,

been urging the OAU to dispatch peacekeeping troops swiftly to back Mr. Goukouni and it has promised "financial and logistical help." The United States has endorsed the appeal as a way to realize the most than 4000 I investigated place the more than 4,000 Libyan soldiers who had been in Chad and 10 prevent Col. Qadhafi from con-solidating his influence there. Washington reportedly is weighing n request from Nigeria for help

in airlifting inter-African troops into Chad once the force is orga-

At the same time, French diplo-matic sources say, Paris and Washington so far are unwilling to shoulder the burden of paying the entire bill for the OAU force. As a result, the six African countries that have promised to contribute troops - Nigeria, Zaire, Senegal, Togo, Guinea and Kenya — have been unable to agree on how to finance it, they add.

In addition, the rebel forces of

former Defense Minister Hissène Habré have, according to reports from French correspondents in Chad, captured at least two more towns. New fighting has been reported in eastern Chad in what appears to be an attempt by the in-surgents to grab as much territory as possible before the peacekeep ing forces move in.

### May Oppose Force

Afal Ahmed, a representative here for Mr. Habre's Armed Forces of the North, said in a statement Tuesday that OAU support for Mr. Goukouni is unacceptable and strongly implied that Mr. Habre's Sudanese and Egyptian-supplied guerrillas will oppose the peace forces when and if they arrive.

President Daniel Arap Moi of Kenya, the current OAU presi-dent, hailed the arrival in Ndjamena over the weekend of about 700 Zairian troops assigned to take part in the OAU force. But, in an apparent allusion to Sudanese and Egyptian support for Mr. Habre's rebels, be also urged "complete cooperation" by all OAU members with afforce to half the Chad fight. with efforts to halt the Chad fight-

injured in an explosion claimed by an Armenian group. The group has claimed two other bombings in Paris and six in Beirut. It says it will pursue its attacks until the French release a suspected Armenian separatist who police say might be linked to a 1980 Paris synagogue bombing. Polish Regime, Solidarity Agree to Form Task Force to Get Nation Through Winter

Solidarity had wanted a council that would share some power with

The government also amended Poland's election laws, but it was

unclear if the change met Solidar-

ity's demand to run candidates in

local council elections in February.

The government appeared willing to let Solidarity members run

for local office as long as a new

electoral system guarantees the

Communists a firm majority, party

In addition, the government

made key concessions to Poland's private farmers, who control more

than three-quarters of the coun-

try's agricultural land. They will

treat private farms "as Poland's

economic fixture " and promised to guarantee peasant property, PAP said.

he government.

sources said

**WORLD NEWS BRIEFS** 

support, diplomats said.
The session was considered crucial because members were said to be

ready to declare their disagreement officially and open the door to other

Mr. Waldheim, seeking a third term as secretary-general, has been vetoed repeatedly by China. Mr. Salim, Tanzania's foreign minister, has China's backing but is opposed by the United States.

Ba'ath Party Leader Killed in Beirut

United Press International

BEIRUT — Masked gunmen ambushed and assassinated Tahseen al Atrash, a ranking member of the pro-Iraqi faction of the Ba'ath Party Tuesday in West Beirut, police and Iraqi sources said.

They said that Mr. Atrash was a member of the regional command of

the Ba'ath Party. He was the second pro-Iraqi Ba'athist to be killed in

Mussa Sheib, also a member of the party's regional command, was

killed earlier in the year. His killers were not apprehended, but Iraqi officials at the time blamed "agents of the Iranian regime" for the assas-

**8 African States Confer on Namibia** 

UN Deadlocks Again on Secretary

BOMB BLAST — Paris' Gare de l'Est train station was damaged and three persons were

ernment plans "an increase of the role and influence of trade unions on state social policy."

But it warned, "The good will of the authorities and their readiness for constructive cooperation must

not be put to the test indefinitely."

There was apparently no action by the government on Solidarity's demands for more access to the

The government also set up a

new "social consultative council,"

specifying that its members will be chosen by the premier "from among prominent scientists and other milieus," PAP said.

Attached to Cabinet The council will be "attached" to Gen. Jaruzel-ski's Cabinet "to back up actions

taken with a view to overcoming

the crisis through its inspiration, opinion-giving and advisory pow-ers," PAP said.

Beirut in the last year.

mass media.

From Agency Dispatcher
WARSAW — The Communist
government and Sobdarity held
their first extensive talks in seven months Tuesday and agreed to form a joint task force to help Poles cope with the oncoming win-

Solidarity's chief spokesman, Marek Brunne, called the meeting with government officials "sincere

and businesslike. The two sides agreed that their most urgent priority was joint action to help Poland survive the winter, which officials fear will aggravate already critical shortages caused by 16 months of domestic

turmoil They agreed to form a joint task force to organize the country's scarce food, medicine, coal and clothing and coordinate school shutdowns, power blackouts and other planned emergency mea-

### **Election Request**

The talks bogged down after what sources called "strong discussion" on Solidarity's request for another task force to study their demands for the right to enter candidates in next February's nation-wide electrons for local councils. UNITED NATIONS, N.Y. — The Security Council failed again Tuesday to break the deadlock over its choice of the next UN secretarywide elections for local councils. general, as both Kurt Waldheim and Salim Ahmed Salim lost some Other task forces will study

price reform, law enforcement and the touchy issue of Solidarity's access to the mass media.

In convening the discussions, Trade Union Minister Stanislaw Glosek, the chief government representative, urged Solidarity to cooperate with the government in confronting the country's problems, according to an official spokesman

The Communist Party paper Trybuna. Ludu, meanwhile, warned that anything less than agreement at the talks — the first such direct meeting between the union and the government since

The talks are taking place amid a mounting campaign by the Com-munist Party to persuade the mass lition unless the government made concessions that would give it a

share of real power. Premier Wojciech Jaruzelski and his Cabinet acted Monday on many of Solidarity's demands in an apparent attempt to ease pressure for radical changes at the

The full text of Monday's gov-

Western proposals for independence in South-West Africa (Namibia), The meeting was attended by ministers from the Front-line states of Angola, Zambia, Botswana, Zimbabwe, Tanzania and Mozambique.

Ministers from Kenya and Nigeria were also present.

Sam Nujoma, president of the South-West African People's Organization, which has waged a 15-year guerrilla war against South African control of the territory, also attended, the officials said.

DAR ES SALAAM, Tanzania - Government ministers from eight

black African states began two days of talks here Tuesday on the latest

### Accord on Sinai Force Eludes EEC

The Associated Press BRUSSELS - Foreign ministers of the European Economie Community failed to reach agreement Tuesday on European participation in a U.S.-backed force designed to keep peace in the Sinai after Israel's scheduled withdrawal next April.

British Foreign Secretary Lord Carrington, the president of the for-eign ministers' council, declined to rule out the possibility that European nations would send equipment and logistic support rather than troops.

The Netherlands, Britain, France and Italy have said they would take part in the force if a formula can be worked out to satisfy both the U.S. government and an EEC initiative calling for Palestine Liberation Organization involvement in the Middle East peace process. Israel has placed to yet a participation in the force by any content the terms. pledged to veto participation in the force by any country that bases its participation on the EEC declaration.

### Communist Mayor of Naples Resigns The Associated Press

NAPLES — The Communist mayor of this troubled city resigned Tuesday amid opposition charges that his administration failed to cope with crime wars and the problems of housing and unemployment that

followed last November's earthquake.

An estimated 13,000 families are living in temporary housing, with relatives or in homes still unrepaired nearly a year after the quake. Manrelatives or in homes sun unity and a year after the quake. Washrizio Valenzi, 72, was elected the first Communist mayor of this city of 1.4 million people in 1975, when leftist parties scored large gains. He submitted his resignation along with those of the nine Communist city

The Communist-led administration lost its majority in the city council last week when the Socialist and Social Democratic council members

### Senate Unit Backs Pakistan Jet Deal

WASHINGTON—The Senate Foreign Relations Committee Tuesday approved the sale of 40 F-16 fighter-bombers to Pakistan. The \$1-billion deal for 40 planes and related equipment could still fail if both houses of Congress reject it in full votes before Sunday.

At the same time, the Senate Appropriations Committee approved At the same time, the senate repropriations Committee approved construction of the B-1 bomber, the second congressional victory in two

construction of the B-1 bomber, the second congressional victory in two days for President Reagan's strategic arms program.

The Senate committee action followed by less than 24 hours approval by the corresponding committee of the House in favor of spending \$1.9 billion this fiscal year on the administration's MX missile plan.

But the vote in the committee indicated the sale will go through despite fears expressed by some senators that it will trigger a new arms race in South Asia. The preliminary vote in the committee was 9 to 5, sufficient to send the measure to the floor with a recommendation to approve the sale.

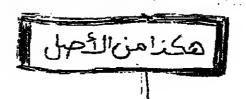
### Iran Guerrillas Kill Religious Leader

Reuters

LONDON — Guerrillas posing as Revolutionary Guards have killed a religious leader and his two bodyguards in northern Iran, the Tehran evening newspaper Ettela'as reported Tuesday.

They stopped a car carrying Hojatoleslam Habiboliah Shari'ati Far, a religious leader in the northern city of Gilan, between Tehran and the Caerian Sea resort of Amol. The gunmen then opened fire on the common the common statement of the common sta

religious leader in the Caspian Sca resort of Amol. The gunmen then opened fire on the occu-





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### Kirkland Scathingly Assails Reagan's Policies

By Warren Brown Washington Post Service
NEW YORK — AFL-CIO President Lane T. Kirkland, who started burning his bridges to the Reagan administration many months ago; almost linished the job with a fiery attacking speach that brought a standing ovation from delegates attending the federation's 14th constitutional conven-

He said the administration promised us a boom but brought us a bust:" has "drained the public purse to lavish welfare on the greedy rich: " has left our allies in "dismay and division" while in-dulging in "the appearement of the Saudi, financial industrial complex with gifts of costly and exotic weapons, paid for in higher oil prices by the American consum-

But the administration sent in an emergency brigade to dampen, if not extinguish, the rhetorical

THE STATE OF

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fiames. The Reagan aides, a team tration was invited to address the of three led by White House chief convention. Mr. Bonitati, Thadol labor liaison Rohert F. Bonitati, deus Garrett, domestic affairs carried copies of a presidential memorandum, to heads of all departments and agencies" instructing them to "seek the advice and counsel of organized labor on publie policy issues." The memorandum was signed by President Reagan Monday.

The aides also brought a letter. dated Nov. 13, inviting Mr. Kirk-land, AFL-CIO Secretary Treasurer Thomas Donahue and the labor federation's 33-member executive council to a White House meeting with Mr. Reagan on Dec. 2.

"We're doing this in reaction to what we see as the reluctance of a number of labor officials to communicate with the administration." Mr. Bonitati said.

Neither Mr. Reagan, Labor Secretary Raymond J. Donovan nor any other member of the adminis-

adviser to Vice President Bush, and White House deputy political adviser Ed Rollins were granted permission to attend.

Kenneth Young, executive assistant to Mr. Kirkland, said that Mr. Kirkland and most of the executive council members probably would attend the Dec. 2 meeting.

But Mr. Kirkland on Monday was unyielding, delivering whal many called his best speech since assuming the AFL-CIO presidency two years ago. He attacked the ad-ministration's domestic and foreign policies and lambasted its hudget director, David A. Stockman, who has expressed serious misgivings about President Reagan's economic program in an Atlantic Monthly magazine inter-

Mr. Stockman was "the original

interior decorator of this economic house of ill repute," Mr. Kirkland said. "Now that the sirens are sounding and the hust is due, he has his story ready. He was only the piano player in the parlor. He never knew what was going on up-

Ridiculing Mr. Stockman's apology to Mr. Reagan, Mr. Kirkland said: "Now ... he tells us that it was all a foolish mistake, that be was only guilty of being the south end of a northbound Trojan horse." He was referring to Mr. Stockman's interview statement that Mr. Reagan's tax cut program actually was a Trojan horse, a ruse designed to transfer money to the

Criticizing Mr. Reagan, Mr. Kirkland said: "The president, we are told, is the great communicator; but so were many other heads of state in history whose policies left suffering and distress in their

### Reagan's Pollsters Keep Running Check on the Electorate

By B. Drummond Ayres Jr. New York Times Service
WASHINGTON — The calls go

out every night, randomly, 150 or more to homes scattered from coast to coast.

For half an hour or so, interviewers ask the anonymous respondents at the other end of the line a stream of questions about the state of the nation, the world, the Republican Party and, most important of all, the state of Ronald Reagan's presidency.

Then computers whir and calcu-

lators click, answers from nightly interviews conducted earlier are added in, and in a matter of hours President Reagan and officials of the Republican National Committee have in hand the latest intelligence needed to tailor a speech, a

his administration are keeping a running tab on the mood of the electorate. Few other White House administrations, if any, have ever polled so steadily or extensively, and that includes the administration of Lyndon B. Johnson, who sometimes pulled poll results out of his pocket to make a point.

"We call it tracking," said Richard Wirthlin, Mr. Reagan's chief pollster since 1968 and one of the key architects of the president's successful campaign strategy in 1980. "It's quite reliable once yon've got a broad enough sample, maybe 1,500 people over a period of a week or so. It can tell you a lot "

In effect, President Reagan and vote, the ethnic vote, the 'soft' Democrats," Mr. Wirthlin reported. "They were an important segment of the swing wote that helped him win last fall."

Mr. Wirthlin, a 50-year-old Cali-

fornian who moved to Washington after last fall's election, offered no precise details or figures to illus-trate his finding. Pollsters seldom do when the intelligence they have obtained contains bad news or sensitive matters.

But he was willing to provide details about an upbeat finding, recalling the role polling played a few months ago when Mr. Reagan suggested on television that American voters use the mail to urge their congressment to slash federal condition and trace. Control Williams

What has it told him recently? spending and taxes. Capitol Hill "That the president has to keep careful watch on the blue-collar ters and cards.

Besides the nightly tracking calls, Mr. Wirthlin also conducts special monthly surveys for the White House and the Republican National Committee. These polls are more extensive, probe deeper, include more questions and often are completed in a matter of days. All told, Mr. Wirthlin's polling firm, Decision Making Informa-

ment covers surveys for the comment covers surveys for the con-mittee and for the president.

"That's an awful lot of money for that sort of work," said Patrick H. Caddell, who was the polister

for former President Jimmy

guy, you don' want a poll driving the issue."

the speech is written."

has admitted to his share of wrong

### Names Conservative Republican to Post to the commission to replace the Rev. Theodore W. Hesburgh, pres-ident of the University of Notre Dame, who resigned to protest Nixon administration opposition By Howell Raines New York Times Service

WASHINGTON - President

Reagan has dismissed Arthur S. Flemming as chairman of the U.S. Commission on Civil Rights and appointed Clarence M. Pendleton, a conservative black Republican. to replace him. After his dismissal Monday, Mr.

Flemming warned that the Reagan administration is drifting back to a philosophy of "separate hut equal" in school desegregation cases. Charles Rivera, a spokesman for the commission, linked Mr. Flemming's dismissal to his strongadvocacy of civil rights.

The White House personnel director E Pendleton James, denied that Mr. Flemming was removed because of his advocacy of such civil rights enforcement measures as busing and affirmative action.

Reports Disputed

Mr. James also disputed reports that Mr. Pendleton was appointed to head the Commission on Civil Rights because he is a close friend = of Edwin Meese 3d, the counselor

to the president. The personnel director said that the 76-year-old Mr. Flemming, a Republican who has headed the commission since 1974, was dismissed "because it's our policy as we move through these appointments to remove people and put in

President Reagan's appointees. Mr. James added that although Mr. Pendleton, 51, knows Mr. Meese casually, Mr. Meese neither proposed him for the job nor interviewed him. However, a White House spokesman, declining to be named, quoted Mr. Meese as saying Monday night that he knew Mr. Pendicton well and recommended him to the personnel de-

pariment. Mr. Meese added, the spokesman said, that the decision to replace Mr. Flemming was made

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22 h 30 Revue et Oh 30 champagne. Mr. James, the personnel direc-tor, asserted that Mr. Pendleton, the chairman of a civil rights or-ganization, shares Mr. Reagan's opposition to affirmative action hiring programs and to busing to achieve school desegregation.

Mr. Flemming was a familiar figure on the Washington scene even before Eisenhower appointed him secretary of Health, Education and Welfare in 1958. President Richard M. Nixon appointed him

centerpieces of President Reagan's strategic modernization program, face fresh challenges in the Schate after getting a reprieve in the House Appropriations Committee.

The House panel voted 25-23 on Monday to restore \$1.9 billion for the MX project that had been climinated by the Appropriations subcommittee on defense. The full committee then approved a record \$196.5-billion military spending bill by voice vote.

After the MX vote, Rep. Joseph Addabbo, Democrat of New York, the subcommittee chairman, called off plans to seek to remove \$2.1 billion for the B-1 bomber, saying he will wait until the full House considers the overall measure Wednesday.

But opponents of the two costly weapons systems had another chance to derail them Tuesday as the Senate Appropriations Committee continued work on a \$208.3-billion version of the mili-

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LES 2 MEILLEURES SOIRÉES DE PARIS

Reagan Removes Head of Civil Rights Unit,

to school busing. On Monday night, Mr. Flemming said that "our commission has consistently been taking positions contrary to the positions" of the Reagan administration. "The cumulative impact of sixth circles desired. mulative impact of civil rights de-

mulative impact of civil rights decisions made by the administration is very disturbing," he said.

Citing the Justice Department's backing away, at Mr. Reagan's behest, from busing as a means of achieving desegregation, Mr. Flemming said that the department is going against the constitution in school desegregation cases in Seattle and Houston. He released a report that contended that, although there has been progress toward integration, the centerpieces of President Reagan's promise of the Supreme Court's president Jimmy Carter. "I never made anything like that much. I am green with envy. It makes you wonder what they're doing with the information."

Not That Exotic "Polling just isn't one of our major policy determinants," said Richard S. Beal, President Reagan's director of planning and evaluation. "The uses of polling are not that exotic Besides, if you're a policy guy, you don't promise of the Supreme Court's 1954 school desegregation ruling remains unfulfilled for many

blacks. Mr. Pendleton is a 1954 graduate of Howard University. He taught physical education at the black institution in Washington, D.C., from 1958 to 1968. After working in housing programs in Baltimore and San Diego, Mr. Pendleton became president of the Urban League chapter in San Di-

The six-member civil rights commission is an independent, hipartisan, fact-finding agency estab-lished by the Civil Rights Act of 1957. The chairman serves at the president's pleasure, but this is the first time in the 24-year history of the agency that a new chief executive has changed the commission's membership in the absence of re-

"Congress was surprised by the extent of the response." Mr. Wirthlin said. "But we weren't. We knew from our polling that the people wanted action."

### A Role in Decisions

Privately, White House aides indicate that polling results also played a role in Mr. Reagan's decisions in recent months to back away somewhat from involvement in the Salvadoran issue and from proposals to cut deep into Social Security benefits. But the aides, as well as Mr. Wirthlin, insist that polling does not "drive" policy in

the Reagan administration.
"It isn't the same as in a camwhen you often structure what you do by what the polls say," one White House official said. "Once you're in the Oval Office, you've got to lead, not follow."

tion, will be paid more than \$900,000 this year by the Republi-can National Committee. The pay-

In most cases, Mr. Beal noted presidents come into office with very clear stands on a wide spectrum of issues, usually as a result of campaign give-and-take. "If the president gives a speech on crime, an issue on which a stand already is pretty clear," Mr. Beal said, "a poll can tell him the latest public perception of the problem before

Richard Richards, chairman of the Republican National Committee, said that polls were particularly useful in determining how much time and elasticity the electorate will give the president or the Republican Party on a particular is-sue. "The polls are a good thing to

have available," he said. But not infallible Mr. Wirthlin

### U.S. Senate Unit Backs Plan For Nuclear Waste Disposal

By Joanne Omang Washington Post Service
WASHINGTON — A compre-

hensive government program to deal with nuclear waste, which pushes the choice of a permanent hisposal site back to 1987, has been approved by the Senate Enviconment Committee

Now the hard work begins: reconciling this with another waste bill from the Senate Energy Com-mittee, and prying something simi-lar out of the House. The Reagan administration has pledged to set up a program to deal with nuclear waste as part of its effort to boost the sagging nuclear power plant in-

The bill reported Monday by the Senate Environment Committee would require steps to be taken loward creating a permanent site while allowing work on picking temporary and long-term retrievable storage sites to proceed. Con-troversy over which of the three types of disposal sites will get the garbage is expected to delay Senate consideration of the measure

until at least next month. The bill also will be contested on its proposed handling of waste

like a civilian site under the bill. The Defense Department has opwastes on the grounds that it would be a bad precedent for other operations.

Legislative efforts last year would have required the Department of Energy to pick a permanent site by 1985. The Energy Committee plan set a 1985 dead-line and the Environment Committee a 1987 target. The committees agree that a state would be able to refuse a site by winning the sup-port of one house of Congress. Short of that, however, a state's role would be limited to "consultation and concurrence."

The nuclear industry is pleased with the two Senate committee efforts. "We think either one is a step in the right direction," said George Gleason, of the American Nuclear Energy Council. In the House, however, three committees are working independently to produce legislation, and prospects are dim for a bill this session.

from weapons production, which takes up 25 times the space of this country's spent power plant fuel.

Any defense-only site would have to he picked, debated and licensed posed civilian jurisdiction over its

Rep. James R. Jones, Democrat



PENTAGON PROTEST — A woman was carried away after being arrested for throwing a blood-like substance on the Pentagon near Washington. Though nuclear prolifera-tion was the main target of the protest, staged by about 2,000 women, organizers said they also opposed federal cuts in social services and U.S. involvement in El Salvador.

### Democrats in House Gain First Major Fiscal Victory

By Martin Tolchin

New York Times Service
WASHINGTON — House
Democrats have won their first major fiscal victory of the year, defeating an administration effort to make further reductions in a \$440-billion interim funding hill

intended to keep the government running through next September. The 201-189 vote Monday reflected the defection of the "Gypsy Moths," moderate Republicans from the Northeast and Midwest who had previously supported the White House on hudget and tax votes. But the administration won the continued support of the "Boll Weevils," the Southern and Western conservatives Democrats who have been supporting President Reagan's fiscal initiatives.

The Democrats' victory may prove short-lived, however, because the closeness of the vote indicated that they lacked the two-thirds majority needed to override a threatened presidential veto. Until naw, Mr. Reagan had won

a string of fiscal victories in the Democratic-controlled House, drawing upon Southern Democrats to vote with a united Republican minority. Monday that coali-

### Marked by Confusion

The debate was marked by the confusion over budget numbers that has characterized nearly all

fiscal disputes this year.

The debate also featured a political anomaly: congressional Democrats, who had previously described the president's call in September for additional budget cuts as being irresponsible and meanspirited, now insisted that they had in fact made those cuts and incorporated them into the funding

Republicans insisted, however, that the funding bill was \$10.3 billion above the president's call last September for a 12-percent reductinn from his March budget re-

The key vote came on a motion by Rep. Robert H. Michel, Republican of Illinois, the minority leader, to recommit the funding bill and instruct the Appropriations Committee to make additional reductions of 5 percent in all areas except military spending and construction, foreign aid and the Dis-trict of Columbia appropriation.
"I'm offering this motion to recommit to avoid a presidential

veto of the continuing resolution,

said Rep. Michel. But Rep. Silvio O. Conte, Re-publican of Massachusetts, a leading Gypsy Moth and ranking minority member of the Appropriafight against the motion.

There is no justification for backdoor, meat axe cuts in the continuing resolution," he said. Rep. Conte noted that the Health and Human Services Department budget already had been cut \$2.7 billion below current spending, and that Rep. Michel was proposing an additional \$1.5hillion cut. He said that aid to education of the handicapped already had been trimmed by \$43 million, and that Rep. Michel's motion would cut an additional \$52 mil-

of Oklahoma and the Budget Committee chairman, suggested that the confusion was deliberately cre-ated by the administration. He was one of several Democrats to cite The Atlantic Monthly magazine article on David A. Stockman, di-

ment and Budget.
"He concedes in that article that they really did not know where their numbers were coming from, and we have in the room right be-hind this chamber OMB trying to explain how they have come up with the numbers they have furnished to the minority right now, and they cannot explain it," Rep. Jones said. "It indicates that they are still doing what they did during

### **U.S. Court Convicts** Polish Businessman in **Espionage Conspiracy**

By Charles Maher

LOS ANGELES - A man depicted by the government as a cunning Polish intelligence officer has been convicted of conspiring to have sensitive U.S. military information passed to Poland.

A U.S. court jury in Los Angeles

deliberated two days before re-turning the verdict Monday against Marian W. Zacharski, 30, who could be sent to prison for

Mr. Zacharski, former West Coast representative of the Polish American Machinery Corp., was found guilty of conspiring with a radar engineer of the Hughes Air-crass Co. to have film made of national defense documents delivered to Polish agents at clandestine meetings in Europe.

The government's case rested largely on the testimony of William Holden Bell, 61, the former Hughes firm employee who met Mr. Zacharski in 1977 while they were neighbors in a Southern California apartment complex. Mr. Bell, who has pleaded guilty to espionage, testified that he was financially strapped and agreed to take documents from the Hughes firm for gold and cash.

### Variety of Information

Mr. Bell said that he was paid about \$95,000 for a variety of information — some of it secret — dealing with a new anti-tank weapon, an advanced radar system and

other military hardware.
Assistant U.S. Attorney Robert
S. Brewer Jr. had told the jury in final argument that the conspiracy was aimed "at the foundation of our national defense" and had

'awesome implications."

He said Mr. Zacharski eleverly exploited Mr. Bell's financial problems, plying him with money, getting him to supply innocuous doc-uments from the Hughes firm and then gradually leading him to purloin more important information.

The government called 48 witnesses. Mr. Zacharski's attorney, Edward M. Stadum, called oone, resting the defense case without a word of testimony. He said in final government cooperation in hopes would lighten his sentence and that his testimony was unworthy

Perhaps the most damning evidence was a tape recording that Mr. Bell said he made surreptitiously during a conversation with Mr. Zacharski in June.

On the tape, played for the jury while Mr. Bell was on the stand and again during final argument, a man identified by the government as Mr. Zacharski asked if Mr. Bell had enough film. When Mr. Bell said yes and asked if film used earlier had been "coming out OK," the second man replied. "Yeah

Among other things, Mr. Bel asked on the tape whether he had already supplied some secret "F-15 data." The man identified as Mr. Zacharski responded. "partially

yes, only."

Mr. Bell made the tape with a recorder strapped to his back by FBI agents. He said he did it to back up the story he had told the

### Trips to Europe

In his final argument, Mr. Sta-dum had tried to portray Mr. Bell as a merchant of deception, a man who had admitted lying repeatedly in the past, but who seemed to be telling the jury, "now, however, demand that you believe me."

But the jury evidently did be-lieve his story of having first sup-plied a number of Hughes Co. doc-uments to Mr. Zacharski, and hav-ing then passed film of many more to Polish agents on four trips to Europe. From Mr. Zacharski, the only answer to the story was si-

Mr. Zacharski is to be sentenced Dec. 14. The maximum penalty, although not necessarily the most likely, is life imprisonment, Mr. Bell's sentencing date has not been

Asked if there was any possibility the government would return Mr. Zacharski to Poland in a spy swap, Mr. Stadum said he did not know. "I'd like to see it occur," he said, "and I'd help if I could."

### Salvador Deaths' Report Called Unreliable

By Barbara Crossette

New York Times Service WASHINGTON - A Salvadoran government

report prepared for the families of four American churchwomen murdered in El Salvador last year was described this week by Rep. Mary Rose Oakar as disappointing, out of date and devoid of reliable sources.

Miss Oakar, a Democrat from Cleveland, where two of the four dead women had once lived. received the report last week from Col. Jose Guil-

lermo Garcia, El Salvador's delense minister. A. preliminary study of the documents that Mr. Garcia brought on his official visit to Washington had unanswered, Miss Oakar said in an interview Of the nearly 300 pages in the document, pre-

pared in response to a request from members of the women's families who met with El Salvador's junta president, Jose Napolcon Duarte, here in September, more than 100 pages were copied from the Salvadoran penal code. Miss Oakar said. Another 80 were explanatory legal material and 20 were previously published news clippings.

"That leaves only 50 pages related to the evidence," Miss Oakar said. "And the material cuts off at about Feb. 18." Since that time six Salvadoran military men have been arrested in connection with the Dec. 2 killing of the four missionaries — Ita Ford and Maura Clarke of the Maryknoll order; Dorothy Kazel, an Ursuline turn, and Jean Donovan, a Roman Catholic lay worker.

"The evidence is not related in any way to the six military men held," Miss Oakar said. The evidence presented did contain some interesting ballistics information, Miss Oakar said, as well as valuable testimony from a priest who had been at San Salvador's airport and had toticed unusual military activity there on the day the four women died. The two Maryknoll sisters had re-

been at a meeting of their order.

But, Miss Oakar said, the report as a whole "lacked consistency" and had "pages missing." She and the families of the slain women intend to inform the Salvadoran ambassador in Washington, Ernesto Rivas Gallont, of their dissatisfaction with the evidence.

turned that day from Managua where they had

Miss Oakar added that she had questioned Mr. García about reports that he had publicly linked the Maryknoll missions in El Salvador to terrorists in El Salvador not long before the women were murdered. Miss Oakar said that she continues to believe that only Mr. Garcia's backing for an investigation would bring a solution to the killings. She added that she was not encouraged by

### U.S. High Court to Rule on States' Power To Restrict Use of Children in Sex Scenes

By Jim Mann

Los Angeles Times Service
WASHINGTON — The U.S.
Supreme Court has agreed to decide how far states may go in res-tricting the use of children in sex scenes in movies, plays, books or

photographs. The justices announced Monday that they would rule on the constitutionality of a New York law that imposes criminal penalties on persons who produce, direct or promote sexual performances by chil-dren under 16. The law does not require prosecutors to prove that the materials in question are legal-

The case shapes up as a significant test of the extent to which authorities may take special action to combat child pornography or any other use of children and young teen-agers in sex scenes.

Lawyers challenging the New

ly obscene

York law claim that it is so restrictive it could be interpreted as outlawing scenes in many popular movies — such as performances by Linda Blair in "The Exorcist," Brooke Shields in "Pretty Baby" Jodie Foster in "Taxi Driver."

### Other Methods Cited

New York officials, however, say movie directors and producers could use adult stand-ins or sophisticated cutting techniques to depict those sex scenes without actually requiring child actresses or actors to participate in them. unique. Twenty other states have

similar statutes barring the production or distribution of material showing sexual conduct by chil-

However, the federal government and 22 states have more limited child-pornography laws that impose criminal penalties only if authorities can prove that the movie, play, book or picture in question is obscene.

Under standards established by the Supreme Court in 1973, materials are considered legally obscene if they appeal to "prurient interest in sex" and are "patently offensive to contemporary community standards." It is up to trial juries or judges in each locality to decide what the "community standards"

Last May, the New York Court of Appeals ruled 5 to 2 that the New York law, by failing to require proof of obscenity, violated the First Amendment guarantee of freedom of speech. The court coneluded that persons may not be punished for presenting plays, films or books that "deal with adolescent sex in a realistic but nonobscene manner.

The New York ruling overturned the conviction of Paul Ira Ferber, the owner of a bookstore in New York City's Times Square area. Mr. Ferber was prosecuted after he sold police undercover agents two movies that showed children as young as 7 or 8 years New York's law is far from old taking part in various sexual

In papers filed with the Supreme Court last July, New York officials said the New York Court of Appeals ruling reversing Mr. Ferber's conviction "has crippled the ability of law enforcement and the judicial system to deal with the

substantial and ever-increasing sexual exploitation of children." "In designing a statute to protect children from sexual abuse, the [New York] legislature recognized that, as a practical matter, it is often difficult to prove obsceni-

the state officials said. Other Action

In another action Monday, the justices rejected without comment a request by leaders of the House of Representatives to stop a lawsuit filed by an insurance agent against congressional staff investi-

The suit was filed after the in-

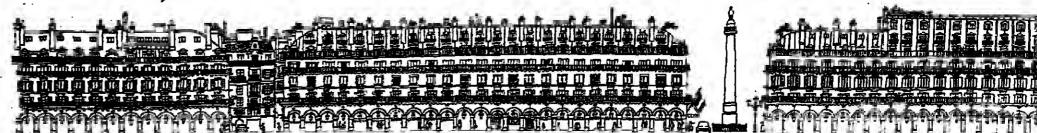
vesugators posed as potential purchasers of cancer insurance and allowed ABC News to film secretly a meeting at which insurance agent George H. Benford told investigators about cancer insurance policies. ABC News later televised the

House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, told the justices that the investigators' conduct amounted to legislative acts and therefore was shielded from all lawsuits. The justices, however, let stand a ruling by the U.S. 4th Circuit Court of

Appeals in Richmond, Va., permit-

ting the case to go forward.

### IN PARIS, THE MOST DEMANDING TRAVELLERS STAY WITH US.



HOTEL INTER CONTINENTAL PARIS 3, rue de Castigliane - 75001 Paris - Telephone 260.37.80 - Telex 22014

Page 4 Wednesday, November 18, 1981

### **Too Quick on Yellow Rain**

There's a serious gap between the weight of the evidence and the weight of the charges made by the State Department in the "yellow

Yellow rain is the term used for suspected chemical warfare in Laos and Cambodia. On the basis of four samples, the State Department is accusing the Soviet Union, through their Vietnamese allies, of using Southeast Asia as a testing ground and thus cheating on solemn international treaties.

Refugees reaching Thailand have long reported being attacked by planes dropping chemical substances, which have hitherto defied identification. The new samples of yellow rain turn out to contain four fungusmade toxins of a type known as trichothecenes. Officials say these cause itching vomiting of blood and death within an hour.

Discovery of the new samples justifies the State Department's strongest concern and launching the most exacting scientific investigation. But to make accusations on the basis of such preliminary evidence sounds more like an attempt to indict the Russians than to understand what is happening.

By the State Department's account, one sample was obtained by Soldier of Fortune, a magazine about mercenaries. Another is said to have been furnished by the Khmer Rouge. What company is the department keeping? With what certainty can it assure the public that its samples are genuine? And if genuine, where is the evidence that the toxin was not produced in, say, Hanoi?

The State Department has said that trichothecene-type toxins do not occur naturally in Southeast Asia, a contention that is probably incorrect. It told a Senate committee that the symptoms caused by trichothecenes in animals match perfectly those re-ported by the victims of yellow rain. But apparently they do not. The department has said yellow rain is so named because it patters on rooftops; yet it does not explain how particles large enough to patter are also small enough to breathe or to deliver a lethal dose to a clothed human.

The United States government has the resources to conduct methodologically significant interviews with refugees, to get its scientific facts straight and to prepare a docu-mented case that will withstand scientific scrutiny. Once that has been done would be soon enough to press the search for the culprit and, perhaps, to accuse the Soviet Union of violating the 1925 Geneva Protocol and the Biological Weapon Convention of 1972. One official made that accusation last week, claiming that "We now have the smoking gun." Jumping the gun is more like it.
THE NEW YORK TIMES.

### **Pure Science and Pure Profit**

Sounds of strange anguish continue to be heard on the campus as molecular biologists try to come to terms with the wealth that genetic engineering is bringing to them and their universities.

The Massachusetts Institute of Technology faculty is in turmoil over whether to accept the conditions of a \$120 million gift to build a new biomedical research institute. The Massachusetts General Hospital has been chided by the General Accounting Office for an arrangement said to give Hoechst, the German chemical company, unduly favorable access to its biomedical research.

As in Boston, researchers elsewhere worry that the tradition of free exchange of scientific information among colleagues will be suffocated by the dictates of trade secrets.

All this agonizing misses the central point, which is one of purpose.

The public supports scientists not in order that they may make themselves millionaires but so that they can discover the truth. A university scientist has as much right to become rich as any other citizen, provided that this pursuit does not conflict with his primary purpose, the better understanding of na-

For universities the same rule applies. Let them make money from genetic engineering however seems best, whether in the form of patents or stock options or royalties - provided they can do so without compromising their intellectual detachment. What is important is that universities should continue to be a source of independent advice to society about genetic engineering in all its aspects.

Some contend that the commercialization of molecular biology will prove no different

from that of other academic disciplines, such as chemistry or engineering, which have long had fruitful and uneventful ties with industry. But it often takes many years for the discovery made in an academic laboratory to become a useful product. That healthy separation between pure research and its application does not at present exist in biology.

The values of the marketplace have so invaded the campus that on several occasions researchers have refused to share with their colleagues the exact details of how they did their experiments. Such attitudes are incompatible with the ethos of a scholarly community. Yet when Donald Kennedy, the president of Stanford, suggested that a special conference be held to discuss such problems, his call was met with a resounding silence.

Biology is also a special case because it concerns the stuff of life. The pace of discovery, the fast unfolding possibilities of shaping living material in useful ways, mark this fount of knowledge apart from all others. A measure of separation should be maintained between those who create the new knowledge and those who put it to use. Otherwise the public will have no independent source of advice to draw upon when controversy arises.

Biologists have already embarked on a heady campaign of invention and exploration. That long-contemplated goal of Western intellectual inquiry, the complete understanding of man as a physical-chemical system, may not now be so far distant. But the voyage of discovery can be made only once. It would be better undertaken by those whose motives are unalloyed, whose only interest is the disinterested pursuit of truth.

THE NEW YORK TIMES.

### The Power Supply

The United States is still in a rather early stage of its adjustment to high prices for energy. But patterns of growth and use are changing in ways most people would have thought, as recently as five years ago, were impossible. It's been a bad five years for conventional wisdom — and for the people who invested in it.

One particularly striking example is the rate at which the electric utilities generate power. For many years, up to the first sharp jump in oil costs in 1973, electric output grew consistently at about 7 percent a year. Currently, electric output is rising about 1 percent a year. For the utilities, the difference has been traumatic. At 7 percent a year, the load doubled every 10 years. In those circumstances, utilities built new generating plants as fast as they could - and the bigger the better. But at 1 percent, the utility industry's whole strategy is turned upside down.

Suddenly, expansion has become dangerous, and the major risks all lie in the possibilities of overshooting demand. Instead of designing very large generating plants, utilities have reversed the trend and are increasingly planning small ones that represent less expensive commitments to an uncertain future.

It is this shift to much smaller plants, and not the no-nukes movement, that is causing the slow death of the industry that builds civilian nuclear reactors. If a company wants

to build a giant generator on the scale that had become common by the early 1970s, a nuclear plant is still well worth considering. But if the company has scaled back to plants a third that size - as, for example, Pepco has done - then the intricate and demanding nuclear technology makes little sense.

Americans proved to be much more adaptive in their needs and demands for energy not only electricity, but all forms of energy than seemed conceivable a decade ago. In those years a strong body of opinion held that there was a fixed and inherent ratio between energy input and total output of the economy. If, the argument went, energy use was held down artificially, whether by boycotts abroad or conservation at home, the whole economy would be similarly cons-

trained and standards of living would fall.

It turns out that the idea of the fixed energy-to-output ratio was wrong. That ratio has dropped sharply since the pivotal year 1973, and the drop now seems to be accelerating. Americans are making more, and doing more, with less energy than seemed possible until very recently. Amid all the current complaints about the performance of the economy, it's worth noting that one of the great surprises of the past decade has been its resilience and the flexibility of its response to the oil shocks of the 1970s.

THE WASHINGTON POST.

### Other Opinion

### Kekkonen's Contribution

[President Kekkonen] made an immeasurable contribution to giving Finland a relatively great degree of security and freedom .... But Kekkonen also ... played a serious role in relaxing tensions on a European and global scale. Hopefully, Finland's new president will be able to maintain stability on the outside without slowing free development inside which is an integral part of Nordic democ-

- From Aktuelt (Copenhagen).

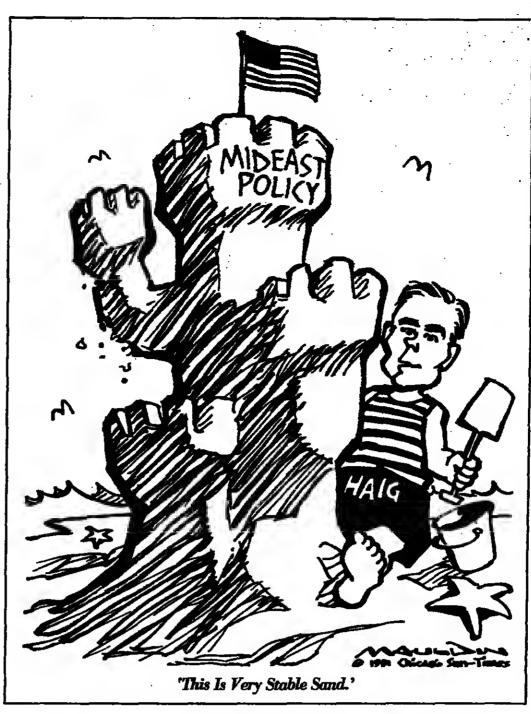
### Nov. 18: From Our Pages of 75 and 50 Years Ago

### 1906: Book Upsets N.Y. Clergy

NEW YORK -Mrs. Herbert Parsons, wife of the representative of New York, Mr. Herbert Parsons, and daughter of Mr. Henry Clews, the banker, has stirred up the clergy in New York with the daring theories expressed in her new book, "The Family," in which she advocates trial marriages with divorce at will. The Rev. Madison C. Peters is one who favors her ideas, but the Rev. Dr. Morgan Dix, rector of Trinity parish, says her doctrines are outrageous and adds: "I shall preach a sermon in Trinity Church tomorrow, in which I shall do my utmost to counteract the influence which the spreading of such disgraceful theories may have.

1931: Whitney Museum Opens

NEW YORK - The Whitney Museum of American Art, founded by Mrs. Harry Payne Whitney, known for years for her helping hand to struggling artists, to stimulate an interest in American painting and sculpture, was formally opened this evening at 10 West 8th Street. President Hoover sent a message of good wishes. The museum, designed by Noel Miller, represents chronologically the growth of American art from colonial times to the present day. Its appointments differ from those of ordinary museums. The walls of the various rooms are tinted different colors, with draperies that harmonize, giving an atmosphere of warmth and friendliness.



### Back to Basics on the Mideast

By Flora Lewis

PARIS — The Middle East is sharply dividing the West again, showing once more the lack, of coherent policy. There is a danger now that the Sinai peace force—to move in when the Israelis are due to move out — is falling apart even before it takes shape. The immediate squabble is that

Britain's Lord Carrington has come out in favor of Saudi Arabia's plan for a Palestinian state, and Israel says it won't accept troops from any country that takes

If the British don't go in, Australia and New Zealand may back out. France hasn't set conditions,

but it won't want to be visibly on the opposite side from its Com-mon Market partner.

Egypt objected to American troops in Sinai at first, but com-promised when the multinational package was put together. If it collapses, Cairo may stiffen. And if President Reagan keeps finding progress" in the Saudi hint that Israel exists, while the Sinai force evaporates, Prime Minister Begin may refuse to withdraw for lack of security guarantees.

### Patchwork

This elaborate unraveling of the Camp David peace plan will prob-ably still be avoided by some breathless diplomatic patchwork. But the fact that the Sinai plan is in trouble shows how fragile the policy is. It would be nice for the United

States if Arabs and Jews forgot their quarrel and decided to join a "strategie consensus" potting American global interests ahead of their own. They aren't going to do that no matter bow much Wash-ington pleads and cajoles with sophisticated weapons. There is no way to avoid the basic issue.

The reason Egypt, alone among Arabs, came to accept the Jewish state and make peace was not because of Russians or Americans. It was because the late President Sadat decided that Egypt's domestic misery deserved priority over larger ambitions and for that it needed

From the start of Camp David, the United States sought to enlarge the process by courting Saudi Arabia. It was the wrong way around. Saudi money glazes the eyes of many beholders but it doesn't create an effective Arab power. Recently, the Saudis have attempted a political role but their influence is shaky even if they wanted to deal with Israel, which they don't.

Son of the Czar

Church Plans Canonization of Czar Slain in 1918" (IHT, Oct.

20): I was surprised to learn that

the Russian Orthodox Church in

New York and Bishop Gregory,

secretary to the synod of bishops

are unaware that the son of Czar

Nicholas is alive and living in New

York I refer to a book written by Guy Richards in 1966 entitled "Imperial Spy" and also to news-

paper articles written as recently as June, 1981. K.W. VON BOYE MORCH

The New Order

Your report (IHT Oct. 19) about

the "new order" imposed on jour-nalism (and journalists) in Zim-babwe was sad reading. In the ear-

ly 1970s, I had the privilege of working as a journalist in Kenya

and later in South Africa. In both

cases, the newspapers were iree to

say — and report — what they

wanted to, given the normal re-strictions of the defamation laws.

In Zimbabwe today, it appears,

Skagen, Denmark

Re: "U.S. Russian Orthodox

-Letters-

The key to consolidating and ex-Since the foundation of Israel in panding the peace settlement was and remains Jordan. King Hussein might have been able to get Saudi support if he wanted to join Camp 1948, America has paid most of David and could reach some kind of agreement with the PLO's Yasser Arafat But the U.S. idea of

Yasser Aralat. But the U.S. idea of pressing the king through Saudi Arabia was always futile.

Meanwhile, though Egypt has regained part of Sinai, the Gaza and West Bank autonomy talks that were to have been completed. before the final Israeli withdrawal have stalled. Time was lost while Western statesmen hoped for Begin's defeat in last spring's elec-

Now Sadat has gone, Begin re-mains, and the Arabs in the occupied territories have begun to mo-bilize against the very limited moves Israel is offering. The mo-mentum has been lost. That is essentially what the British mean when they say "Camp David is dead," though they haven't anything livelier to offer.

By putting its hopes on the Saudis, the United States has moved further into the box of contradictions menacing Israel and has become more, not less, dependent on the kingdom. Apart from the planes themselves, the arguments used to push through the AWACS sale gave Saudi Arabia important new leverage on Washington without compensating help

for peace.

The attempt to dodge the central issue of the Arab-Israeli dispute, to muffle it in East-West issues or fends among the Arabs, doesn't make it easier to settle, but

The question of talking with the PLO probably can no longer be avoided. It might have been, a few years ago, through Hussein, but now there is no hope of some other Palestinian leadership emerging on the West Bank.

### Booby Traps

The U.S. goal should be to get the Israelis and the PLO to agree to talk to each other, with Hussein, and for that both sides would have to change their positions. If that remains impossible, then the world will have to wait until new circumstances bring new attitudes, as they did in Egypt.

Good intentions and refusal to face facts bave invariably created booby traps in the Middle East. In a way, the United States shares some blame for the creation of the

means reporting critical of the government) and "positivity" (i.e., pro-government).

If this is an example of the new world information order, God help

Not Amused

I enjoy reading Flora Lewis' col-umns. She writes perceptively. There was however, no need to in-

dulge in the pejorative put-down displayed in her recent column, "After Cancin" (Oct. 27), with reference to Britain's Margaret Thatcher, who "said with her powdered smile." I am an Ameri-

can of Italian descent, living in

Switzerland, have a German son-

Royal History

In the advertisment appearing in

your newspaper, "Hommage to President Anouar El Sadate" (Oct.

19), Reza Pahlavi, son of the late

DR. EMIL J. MORICONI.

in-law, and I didn't like it

Basel, Switzerland.

cournalists have to make a choice shah, tells how he swore to follow between "negativity" (I suspect it in the footsteps "...traced by my

Hong Kong.

ANTHONY DYSON.

the bills to keep the refugees in camps and thus to keep illusions of return alive from generation to

was a humanitarian gesture, and it is just to note that the Soviet Union, which provides weapons to the PLO, has never contributed a penny. But it would have been wiser to insist on resettlement of the people and their establishment in new communities. Illusions now about Saudi Ara-

bia's will or capacity to revive the peace process because of other common interests --- oil and security — will prolong the dispute and create more troubles for all con-

cerned.

01981, The New York Times.

### 'A Small Boat' Braves White A Sea of Censorship

By Jonathan Power

fired from the Kaunas State Theater for his independent-minded approach, called it "a small boat which rescued me from a stormy sea." He was talking about the magazine Index on Censorship, which celebrates its 10th anniversary on Thursday, a journal devot-

ed to saving writers and their work from the threat of oblivion. Index began with a letter to a newspaper. Pavel Litvinov and Parissa Daniel wrote a letter from Moscow to The Times of London to protest the trial of their fellow dissidents, Yuri Galaskov and Al-

One person who read it was the poet and critic Stephen Spender. He and his wife spent two days phoning friends and acquaintances all over the world, at the end of which they were able to cable Litvinov with a long list of support-ers. Litvinov replied, saying why didn't Spender set up a committee to monitor censorship in the Soviet

### 'Royalties'

Just as 10 years previously, Peter Benenson approached David As-tor, editor of The Observer, with the idea for Amnesty, Spender did the same with the suggestion of launching a magazine to keep watch on censorship, and to publish forbidden writers from all over

In its first issue, Spender wrote that "the material by writers cen-sored in Eastern Europe, Greece, South Africa and other countries is among the most exciting that is being written today." For writers whose "royalties," in Solzbenitsyn's phrase, "take the form of barred windows and barbed wire." Index came on the scene like a gift

from heaven.
Yet it has been more than "a bulletin of frustration." It has often worked, it is argued, to soften the edges of repressive govern-ments. Jonas Jurasas, commenting on the effect of a letter of his which Index had printed, said "It deprived the suppressors of free thought in the U.S.S.R. of the opportunity to settle accounts with the dissentors in secret and without publicity."

### Unknown Writers

No wonder that the editor of Index can say that they face "no dan-ger of running out of material. We are far more likely to run out of funds." Every day the articles and causes pour in. In October, the Indonesian authorities ordered the burning of 10,000 books, the works of Pramoedya Ananta Toer. He was only let out of prison last year after serving 14 years on the noto-rious Buru Island. In the issue of Index to be published this week, he writes about his experiences.

Index has always had contribu-tions from the great figures of per-

ONDON — Jonas Jurasas, the secuted literature — Solzhenitsyn,
I ithuanian theater director Djilas, Haval and Soyinka — but it prides itself on digging out the un-known writers. Michael Scammel who edited the magazine for the first nine years, makes the point that there "is an aristocracy of talent that somehow succeeds in jumping all the barriers. But Index has been at its best in helpine writers of the second or third rank, or young writers still on their way

"Among the letters I cherish," says Scammell, "is one written by a banned black South African poet describing how the appearance of his poem in Index restored him to life and writing after a period of

despair."
The pages of Index have seen many unknowns who later climbed the ladder of achievement. In 1974, it was one of the first magazines to denounce the shah's Iran publishing an article by Sadeq Qotbzadeh, later to become for-eign minister. It published a then little-known Nicaraguan poet. Er-nesto Cardenal, now minister of education in the revolutionary gov-ernment, and the South Karen ernment, and the South Korean poet Kim Chi Ha before he be-came an international cause

### Western Media

Index's brief is not just the Index's brief is not just the repressive regimes of Eastern Enrope and the Third World Censorship in the Western media is regularly exposed — the official efforts to limit the reporting of Northern 
Ireland on British television, the 
burning of books by school boards 
in the United States, the case of 
Daniel Schort, dismissed by CBS 
after publishing in the Village 
Vioice a confidential report on U.S. 
intelligence services, self-censorintelligence services, self-censor-ship in Finland because of the pressure from their powerful Soviet neighbor and the lack of freedom and objectivity of the French

broadcasting system.
In one celebrated case, an article written by David Astor stopped the presses of The Times for a day
— and proved a point. Astor had
written an article in Index, which The Times were carrying a report on, in which he criticized the untrammeled power of the print unions and the spineless refusal of editors and proprietors to criticize them publicly for fear of retalia-tion. The unions refused to run the presses unless the report was cen-sored. Only after a great furore in Parliament did they capitulate, "For the writer intent on truth."

wrote Solzhenitsyn, "life never has, never is (and never will be!) easy." Index, a little magazine with a small circulation, is not much of an answer to an author who would like and deserves tens of thousands of copies of his work in print, But it helps keep literature and critical thought alive where otherwise they might be lost.

land's request would come after that of Hungary, an examplary ally of Moscow. This would make

it possible for the Polish move to apear normal and not "dissident,"

as was the case for Yugoslavia and

tutions of international imperial-

Therefore, in this context, the Soviet attitude is tantamount to an

capitalist in nature, is necessary

get a Communist state out of its economic troubles.

that is, the IMF and the

### Poland, Hungary and the IMF

By Leopold Unger

BRUSSELS — Two Communist states, members of Comecon. ont an understanding with the 450 have recently asked to join the In-ternational Monetary Fund and the World Bank, the very symbols
— in Soviet eyes — of "capitalist economic imperialism." The requests, thus, become more than just a surprise, but a bold economic and political venture.

The two requests are different each with its own particular demands. Hungary, Eastern Europe's most prosperous country, is on a calm and cautious economic course. It wants to increase its means for greater international cooperation so that it may have a greater entry into Western markets in order to avoid troubles such as Poland has seen.

Poland has seen.

Poland is acting in quite another way. The IMF was set up in 1944 to help stabilize international financial dealings by siding countries that were suffering mostly from helance of polaries desired. from balance of payment deficits. Poland's purpose in wanting to joing the IMF fits precisely into that category; it wants help be-cause it is going through a severe economic and political crisis.

Responsibilities

But joining the IMF innoces a number of responsibilities in addition to inherent rights. By rejoining the IMF — which it quit in 1950 — Poland would receive the certificate of responsibility it needs to find new credits and to work

with his grandfather, whose earlier

career was as a noncommissioned

officer in the army. He was, I be-

lieve, the son of peasants.

private Western banks that are more and more reticent - if not clearly opposed — to postponing the reimbursement of the Polish debt, now at \$14 billion, in addition to the \$13 billion which Warsaw owes to Western governments. However, as a member of the

IMF, Poland would have to accept cconomic control by the organiza-tion and, thus, would have to sub-mit to it credible data on its financial situation. This information in Eastern Europe is always considered a secret of state to be revealed under no condition.

Furthermore, Poland would have to agree to take under consideration any recommendation of the IMF, and these recommenda-tions can go very far. In 1965, for example, the IMF was behind the Yugoslav reform that led to the establishment of a mixed economy - part Socialist and part capitalist and to the devaluation and convertibility of the dinar.

Being a member of the IMF is no guarantee of miracles - as Yugoslavia and Romania have clearly shown — but it is just as clear that without the possibilities offered by the IMF, any chance of an eco-nomic upswing in Poland is problematic, if not out of the question.

And this is why the idea of join-ing the IMF was supported by both the independent union Solidarity and the government, a coin-cidence that is extremely rare in Poland. In addition, this agree-ment in principle was followed up by a series of independent acts ing at the same goal.

father, my grandfather and by all those who, during past centuries, have guaranteed the continuity of During his recent visit to France, Lech Walesa, the leader of Solidarity, conferred with a group the Iranian Monarchy."
Reza Pahlavi implies that he deof U.S. businessmen, while emis-sacies from the union continue to have discreet but regular meetings cends from an ancient royal family that has reigned for centuries. This is untrue. His family's royal history began in the 20th century with officials of the European Eco-

nomic Community.

As for the Polish government, it simply asked the Western ambassadors based in Warsaw to do all that is necessary to have their goveruments support the Polish request to join the IMF. According to reliable sources.

admission of ideological failure, that is of the failure of "real So-cialism." Moscow's decision to tolerate Poland's rejoining of the IMF is a recognition of that fact for two reasons. First, because Moscow admits that intervention by the IMF, an operation purely

World Bank

have been futile.

The second reason is that Moscow also thus recognizes that the equivalent institutions created by the Comecon, and particularly the international bank for cooperation among Communist states, were un-able to help out a member of Comecon.

By agreeing to let Poland join the IMP, Moscow is trying to make the West bear part of the burden of saving a Communist country from bankruptcy. It may be a loss of prestige for Moscow, but businesswise, it is an excellent

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Poland's desire to join the IMF was taken up during the Comecon meeting in Sofia last July. It was

then that it was decided that Po-

This also explains the Kremlin's tolerance" of the move, for without Soviet approval, any attempt in that direction by Poland would Denounced by Russia Poland was one of the founding members of the IMF in 1944, but was forced to leave the organiza-

. The seal there tion in 1950 under Soviet pressure. And only recently, during the North-South summit meeting in Cancun, the Soviet Union violent-ly denounced the "financial insti $z_{k_1},\ldots,$ 

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### Peking Fish Stories: The 900-Pound Carp

New York Times Service

DEKING — He had just plopped down on the grass, wrapped the line around his big toe and popped the cap off a cool bottle of Peking Five Star beer, when the fish hit.

Lao Li grabbed for his pole, but it was too late. The fish jerked him, toe first, into the lake. For six hours, the fish pulled him through the water, almost drowning him several times. It was dark before he crawled back on shore, wrapped the line around a big tree and began coaxing the fish to the bank.

When he saw it, Lao Li almost fainted. It must have weighed 900 pounds. It was a grass carp so big, well, it was big enough to saddle up and ride home. When it saw Lao Li, the giant carp winked, as if to an old friend. Then, with a whoosh of its tail, the carp surged into the deep, tearing the tree out by its roots just before the line broke.

Of course, it's a fish story. It was told by a Mr. Wei, not Mr. Hemingway, in China, not

Fishing is as honorable a way of enduring the 20th century in China as it is anywhere: And the ones that get away in China are as cunning as the ones that bellyflop off the hooks of fishermen in any lake or stream the world over.

Fishing is one of the few forms of recreation a man here can engage in once table-teenis clow sets in. While China maintains recreation centers for young people, workers generally live in cramped housing in crowded cities in which leisure time pursuits are limited to exercise in parks, comparing songbirds, playing cards or Chinese chess, talking with relatives or neighbors, or preparing for the next day's work.

Here in Peking, a day license to fish in the lake at the Summer Palace costs less than a dollar. The government grows fish there to sell to restaurants. It harvests them in late autumn with nets, but fishermen are allowed to catch them in the meantime and are charged less than the market price per pound for fish they catch and choose to take home.

Legendary Big Ones

Legend has it, of course, that the big ones are too smart to be landed. There is said to be a bass out there so big that it eats water buffalo for breakfast. There are also said to be fish in that lake tagged by emperors of the Manchu dynasty. To catch one is indeed a sign of good luck.

A young computer scientist who fishes there regularly says that the way to catch grass carp is to use grass as bait. The problem with grass as bait is that it tends to come off the book says. off the book too easily. But one retired official in town secretly cultivates a kind of grass that stays on the hook. He is the envy of all the younger fishermen at the Summer Palace

In the United States, that kind of grass is known as crabgrass. It has a solid, flat stem that stays on the hook. In short, it has body. For the Chinese bass that inhabit the lake and nearby reservoirs, crickets, worms and frogs are the preferred bait.

Chinese fishermen do not mount their fish. That is too expensive. Instead, they make fish prints. What they do is rinse their prized catches in vinegar to remove the slime. Then they paint one side of the fish with ink and press the fish onto a piece of rice paper. The result looks like a Chinese painting of a fish. Then they wash off the fish and prepare it for the frying pan.

Peking's growing foreign community in-cludes a substantial number of fishermen who find that they can make friends around the lake more easily than in working circumstances. Copies of foreign fishing magazines are especially prized by the Chinese.

When Chinese and foreign anglers get together to compare gear, the conversation quickly evolves from techniques and locations into yarns about the hig ones that got away. Any Chinese can match his foreign counterpart on this subject, fish for fish.

A young composer named Shao Lun, for example, swears that he caught a monster grass carp last summer, made a fish print of it for his collection, and then had second thoughts about eating the fish. It was still alive, and it seemed to look him in the eye. So he threw it back. Shao Lun insists that the fish was so grateful that it now allows him to catch it every Sunday, to the amazement and

and rice, chopsticks and soy sauce

A Japanese restaurant, the Saku-

ra, or Cherry Blossom, was slated to open in Moscow's new Hotel In-

ternational last year. Japanese dip-lomats, asked when to expect the

opening, now laugh politely and refer questions to hotel officials,

who say only, "It's opening soon."

Patrons will be able to dine sit-

# به المناسلات ال

By Vincent Canby
New York Times Service
NEW YORK — No need to pussyfoot. No need to mince words. Get straight to the point, even if it's not pretty or, for that matter, even if it is. Sometimes things do so right. It does happen. You know it first in the pit of your stomach. A nice feeling but unfa-miliar — it's the bile vanishing as things look up. Like watching "True Confessions."

"True Confessions," which opens today in London, is the tough, marvelously well-acted screen version of John Gregory Dunne's novel, adapted by him and Joan Didion and directed by Ulu Grosbard who, with this film, becomes a major American film-maker. Quite simply it's one of the most entertaining, most intelligent and most thoroughly satisfying commercial U.S. films in a very

True Confessions," the film as well as the novel, owes a lot to a kind of 1940s, tough-guy, fringe-world Southern California fiction in which private eyes drink whis-key instead of coffee for breakfast and calmly turn in their sweet-bearts on murder raps because, well, you can't trust a dame who shoots real bullets. She can kill you as easily as she hurns toast.

Dunne's hest-selling novel, loosely based on a Los Angeles murder case, uses history as the author sees fit, and though its syntax is familiar, its concerns are more far-reaching and more psychologically complex than the lic-tion it recalls. It's a hig novel and "True Confessions" is a big film.

Two Best Actors

To begin with, it has the United States' two best actors in its leading roles, as brothers, one an upand-coming monsignor of the Roman Catholie Church, Desmond Spellacy (Robert De Niro), who is on his way toward some of the higher honors the church can bestow, and Tom Spellacy (Robert Duvall), Desmond's older brother, a Los Angeles detective of shabby

As the single-minded Tom Spel-lacy roots around in his investigation of the murder, be finds links between the victim and Tom's sometime mistress Brenda (Rose Gregorio), who runs what is crudely though accurately described as "a \$5 cathouse." There also are connections between Lois and Jack Amsterdam (Charles Durning), a higtime Los Angeles contractor and pillar of the Catholie Church, a fellow who is one of Monsignor Desmond Spellacy's softer touches. Jack Amsterdam, former pimp, now receives intro-ductions to the pope, builds church schools at cost and gets honored as "the Catholic layman of the year."

As the investigation continues, the connections become increasingly complicated and dangerous for just about everybody, except, perhaps, the urbane Cardinal Danaher (Cyril Cusack), who has made his archdiocese one of the country's wealthiest, and Frank Crotty (Kenneth MeMillan), Tom Spellacy's partner. Crotty cheerfully crooked cop who takes small bribes hut who would never railroad an innocent man to the

life; nothing is quite as simple as it originally seems in "the case of the virgin tramp," which is how the papers come to label the murder of Lois Fazenda.

background. Early in his career, when he was a member of the vice

squad, Tom had been on the take.

Now he is so emhittered he has

somehow come full circle. He's

back pursuing justice at all costs, at least justice as he defines it.

time is the late '40s, not long after World War II, before television

had become a force in the world

and when Hollywood was still

turning out a couple of hundred

program pietures a year. One morning, in an especially ugly va-cant lot, there is discovered the na-

ked, bisected body of a pretry part-

time actress, a displaced person from the Middle West who has be-

come what the papers used to call a "party girl." It's a grisly murder, but at first, it doesn't seem to be

an especially important one. An-

In the way of good fiction, as in

other case. That's all.

The place is Los Angeles and the

Plot to Spare

gas chamber, as Tom might.

"True Confessions" has plot to spare, and even if it's not always possible to follow the ins and outs of the business dealings, the film is bundant with life and character. At the film's rich center is the relationship between the monsignor and the detective, the priest being far more worldly and self-aware than the policeman, who, somewhere down deep, still believes in the kind of hell-fire that his brother probably abandoned at age 15.

sometimes seems like a single per-

formance, two sides of the same complex character. But then the film is stuffed with memorable performances. They include those of Durning and Ed Flanders, as the most prominent laymen in the monsignor's parish; Burgess Meredith as Seamus Fargo, an ancient, crotehety, seriously committed monsignor who's being given the expedient sack in the course of the film; Gregorio, who has never be-fore had a film role to equal this one, which she hrings to vivid life, and Cusack and MeMillan.

The screenplay, of course, pro-vides material that actors might die for. It sometimes reaches for its effects, but there's not a foolish ine in it, nor a bland character. The movie is dense with period detail, hut Grosbard makes sure that it never overwhelms a tale that is ironie and sad and very wise. "True Confessions" comes close to being a model movie of its kind



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Burgess Meredith (left) listens to Robert De Niro's troubled confession in "True Confessions."

### Moscow's Foreign Fare Is a Bowl of Borscht

By Bryan Brumley

The Associated Press

MOSCOW — The list of foreign restaurants in the Soviet capital reads like the roster of world Communist capitals. But from the Peking to the Prague, from the Warsaw to the Havana, the spirit and the food are as Rus-

"We have two menus," explains a waiter at the newest foreign food eatery in Moscow, the Ramayana, which opened this fall in a remote

corner of the Soviet capital.
"On one menu we have Indian food, but I must say that it all tastes the same. Why don't you order from this one?" he said, offering a menn listing such Russian favorites as sturgeon and borscht, the traditional beet and cabbage

Indian chefs prepared food at the Ramayana for the first two months of its existence and then departed, he said.

### Friendship Salad

A waiter at the Peking restau-rant counseled against Szechwan chicken. "That dish is very hot. Why don't you try our Friendship Salad?" The Friendship Salad, perhaps nostalgically named for days of better Moscow-Peking relations, is a Soviet-style meat salad.

Moscow, a city of 8 million and capital of a superpower, has scores of Russian restaurants but surprisingly few that claim to offer foreign cuisine. It has no French or

several offering cuisine from individual Soviet republics - includ-ing food from the Caucasus and

Pizza is available in a small pizzeria on a side street a few blocks from the Kremlin. Customers must eat standing up at the Cafe Pis-cheria, which sells only one type of pizza — cheese and five black olives on a crust. It falls well short of

world pizza standards. Food and atmosphere vary little from restaurant to restaurant. The establishments feature dancing to highly amplified rock bands and are likely to disappoint those seek-ing a quiet spot to enjoy exotic

From time to time, Soviet authorities open a new eating place with food from an allied country, or more rarely, from ontside the Socialist Bloc.

Chefs from the featured country are generally invited to instruct Russians in the relevant culinary arts, but after they go home, the restaurants seem to drift back toward Soviet cuisine and atmos-

Members of Moscow's sizable Indian community say they avoid the Ramayana, One Indian said, "it was very disappointing."

A Hungarian resident of Moscow says the Budapest, the big Hungarian restaurant in the Soviet

capital, has gone from fair to poor

Italian restaurants, although it has fare was tasty before the Chinese-Soviet rift of the early 1960s, but declined when relations soured

Unlike most of Moscow's foreign restaurants, whose decors show little imagination, the Peking is hung with paper lanterns and decorated with red beams and columns resembling Chinese architec-ture. However, a Soviet rock band dispelled the Oriental mood at the Peking on a recent evening by playing Beatles songs in English.

Black bread, a Russian staple, was served with Chinese dishes,

ting on tatami mats, Japanesestyle, according to sources. The hotel plans to employ Japanese cooks for two months, the sources said, and then replace them with Rus-sians.

### Amid Grain Drop, Moldavia Toasts Bumper Wine Crop

By Ralph Boulton

L'ISHINYOV, Soviet Moldavia - While Soviet farmers brood over grain crops se-verely hit by this year's drought, the wine con-noisseurs of Moldavia are raising their glasses to a humper grape harvest.

The tiny republic in the extreme southwest of the Soviet Union, is dominated by neat vineyards and wine accounts for the income of more than half the population.

Alexander Dyornin, a senior taster, has made his career in wine.

We Moldavians drink an awful lot of wine. My father introduced me to it when I was a boy and at school I became the chairman of the naturalist society's grape section. It seemed in recent years.

Patrons of the Peking say its ed in wine technology," he said.

"This year, I am happy to say, the crop should be excellent. The hot, dry weather which damaged vegetable and grain harvests has been ideal for our vineyards."

Though one of the smallest republics in the Soviet Union, Moldavia produces 8 per cent of the country's wine and some of its best brandy. In the capital of Kishinyov, wine flows in constant good measure. Elsewhere, wine enthusiasts must live in hope of sumbling on a fresh consignment or cultivate the friendship of a shop manager willing to tip them off.

Higher Education

The republic's College of Wine Culture, set amid thousands of acres of vineyards, was founded almost 140 years ago and turns out 300 experts in wine technology every year. Students come from all over the Soviet Union.

Computerized machines are fed samples of the latest experimental wine and disgorge an awesome flow of technical data, but as one expert added: "The machines give us a lot of use-ful information but, of course, the buman tongue is the final arbiter."

The head of the college, Ilya Kozhokar, explained the sims of the college.
"We take pupils from school at about the age of 15 and try to instill in them a cultured

and respectful attitude to wine," be said. As elsewhere in the Soviet Union, Moldavian factories are discreetly posted with notices inveighing against drunkenness. But, Kozhokar argued, the Moldavian's preference for dry white wine rather than the vodka of the Russians means a lower rate of alcoholism and less drunkenness in this repoblic.

De Niro and Duvall are at the peak of their talents bere. They work so beaotifully together it

liamond market. Give diamonds to the ones you love, buy for investment, for your enjoyment. diamantexport Established 1928 Gold Medal

### U.S. Licenses Hepatitis Vaccine Found to Be 95% Effective

By Harold M. Schmeck Jr.

New York Times Service NEW YORK - The Food and Drug Administration has announced approval of the first vaccine against hepatitis to be licensed for use in the United States, calling it the first complete-ly new viral vaccine in 10 years.

in making the announcement on Monday, FDA Commissioner Dr. Arthur Hull Hayes Jr. also said it was "the first vaccine ever licensed in the United States that is made directly from burnan blood." Recent trials in about 6,000 peo-

ple showed the vaccine to be approximately 95-percent effective in protecting against hepatitis B virus, published reports said. Hepatitis B is a major cause of byer disease throughout the world.

### Common in Asia, Africa

Of the 200,000 to 300,000 new infections with the virus in the United States every year, an estimated \$6,000 cases are serious enough to involve jaundice and other effects, such as nausea, fatigue and substantial liver damage. Roughly 10,000 hospitalizations and 200 deaths result each year.

Hepatitis B virus is considered a major public health problem in Africa and Asia and is believed to be s significant factor in liver cancer in those regions. Liver cancer accounts for 20 to 40 percent of all cancers in some parts of Africa

In some Asian populations the virus is carried by up to 50 percent of the population, according to Dr. Maurice R. Hilleman, vice president for virus and cell biology re-search of Merck Sharp & Dohme Research Laboratories, where the

tion with the virus, some public health experts have speculated that widespread use of a vaccine against it would eventually bring about major reductions in the toll of liver cancer there. Liver cancer is relatively uncommon in the

given over six months.

United States

It is expected that the three

new vaccine was developed over a 13-year period. Because liver cancers in Asia seem closely linked to prior infec-

For now the new vaccine is expected to be too expensive for large-scale use. Dr. Hilleman said its price was currently estimated at \$75 to \$120 for three injections

doses will give protection for at least five years. Supplies of the vaccine will be available for general use by mid-1982, according to Merck Sharp & Dohme, which will market it as Heptavax-B.

The expense of the vaccine is said to be related to the complexity and length of the production pro-

Dr. Hilleman said it takes about six months to isolate, purify and prepare the material for the vaccine from blood serum containing the virus. After concentration and purification, it is tested in monkeys for six to seven months. The total preparation time is the longest of any vaccine.

A different hepatitis B vaccine has been available in France since May. Experimental vaccines are reportedly in use in Japan and the Netherlands.

The illness produced by hepatitis B was once called serum hepatitis because it was known to be ral causes.

passed through blood transfusions. But more rigorous blood screening has reduced the incidence of transfusion-related bepatitis.

Medical workers and persons, such as kidney dialysis patients. who require frequent blood trans-fusions are considered to face the highest risk of contracting hepatitis B. Drug addicts and persons with numerous sexual contacts also have a higher than average in-cidence of the disease.

At least two other kinds of virus-caused hepatitis are known. Hepatitis A, which used to be called infectious heparitis, can be transmitted through the contami-nation of food, shellfish or utensils by buman wastes. Dr. Hilleman said an experimental vaccine for

that virus is under development.

A third category is called "non-A, non-B," signifying that it is caused by one or more unidentified viruses distinct from the first two. Hepatitis can also have nonvi-

### U.S. Study Says Fetus Could Be Damaged With a Single Episode of Heavy Drinking

WASHINGTON — A single epi-sode of heavy drinking early in pregnancy may result in serious physical and mental damage to the

### Skinny Nonsmokers May Achieve

The Longest Life Span, Study Says The Amociated Press FRAMINGHAM, Mass. - Skinny people who don't smoke

much or at all live the longest, a new study shows.
"If you show me a thin person who isn't a heavy cigarette smoker, I'll show you the person who does the best of all in life—the lowest death rate, the lowest stroke rate, heart attack rate, the whole bit," said Dr. William Castelli, director of the Framingham Heart Study.

The group, which has been following the health of 5,200 Framingham residents since 1949, plans to publish the findings soon, Dr. Castelli said. The report contradicts conclusions made in December, 1980, by Dr. Reubin Andres of Johns Hopkins University, who said that

the healthiest people are somewhat overweight. Dr. Andres, whose area of study is obesity, reviewed more than 40 worldwide studies of weight and longevity, covering about 6 million people.

"All the fat people loved it." Dr. Castelli said of the earlier report. "We're saying that can't be right."

Both Dr. Andres and Dr. Castelli's findings were based on attaining the about that appeals who weight the most or the least are

statistics that show that people who weigh the most or the least are most likely to die before their time. But Dr. Castelli said that the thinnest people on the charts smoke and die from cancer. And when the smokers are eliminated from the averages, the figures show that thin people actually live

"I don't know whether Twiggy is the way we should go," he said. But the starved, high-fashion image could mm out to be Dr. Castelli said people should not continue smoking because

they fear they will gain weight.
"It looks like it's better to gain that weight and get out of that group that stays smoking," he said. Eventually, those persons who have stopped smoking lose their initial weight gain and return to the level of people who never smoked, Dr. Castelli said.

suggested.

Based upon studies involving mice, researcher Kathleen K. Sulik concluded that there may be a concluded that there may be a "critical period" — around the third week of pregnancy in humans —in which the developing embryo is particularly susceptible to the condition known as "fetal alachal and area." alcohol syndrome."

"Many women are not aware of their pregnancy at this stage. Those who are may not realize that social or binge drinking so early in pregnancy may be as deleterious to the embryo as constant heavy drinking," the researcher and her colleagues wrote in the current is-

sue of Science magazine. While fetal alcohol syndrome has previously been associated with chronic drinking by alcoholic mothers, the article said research on pregnant mice suggested that non-alcoholic women who drink heavily at this early stage of preg-nancy may put the unborn child at added risk.

### Risk of Retardation

Fetal alcohol syndrome, which affects an estimated one in 750 births in the United States, involves physical changes in the ap-

17 Abducted in Italy Theft

The Associated Press BIELLA, Italy — Ten masked and armed bandits held 17 persons hostage for eight hours during an overnight holdup in a tannery at Massazza near this north Italian town, police reported Monday. The bandits got away with furs valued at \$500,000.

developing child, a study at the pearance of the child, including a University of North Carolina has flattened face with small eyes and suggested. upper lip, as well as nervous disor-ders that may result in mental re-

in the study, researchers gave the mice two doses of alcohol on the seventh day after conception, and found that as many as 45 percent of their offspring displayed moderate to severe malformations similar to those found in human letal alcohol syndrome. The blood levels of alcohol were equivalent, in buman terms, to about twice the legal maximum for drunk driving

m most states. Some doctors have advised moderation in drinking during pregnancy, but U. S. Surgeon Gen-eral Dr. Edward Brandt last July advised women who are pregnant or considering pregnancy not to drink at all. He said some studies had found lower birth weight and greater risk of miscarriage at low levels of alcohol consumption.





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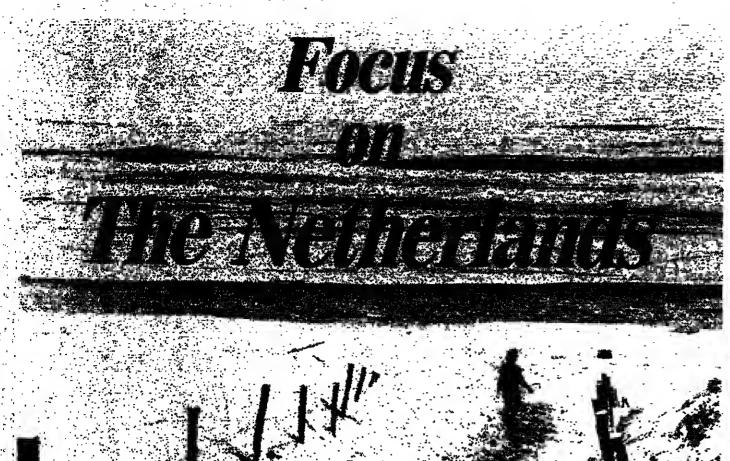
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At left, a snowy beach at Castricum in north Holland; above, Amsterdam's Minttower, dating from 1620, at Mint Square: top right, mounted guard waits to escort Queen Beatrix from Lange Voorhout Palace at the Hague, and, right, cyclists cross the polderland between Leiden and The Hague.





### Economic Issues Predominant as Political Turbulence Intensifies

Divisions Are Deep On Spending Policy

By Allan Tillier

THE HAGUE — Deep differences over how to

run the economy lie behind the Dutch political
crisis. The warring parties found it relatively easy
within their short-lived coalition to postpone awkward decisions on
Cruise missiles on Dutch soil and whether the country should invest in a

massive nuclear energy program as insurance against dwindling gas supplies. But they could not reach a consensus or compromise on whether to run a tight ship in monetary terms or pursue a reliationary policy. The basic differences between right and left over how much money should be spent on alleviating unemployment brought down the coalition in October and left Dutchmen of all shades wondering just what the

son in October and left Dutchmen of all shades wondering just what the politicians were doing.

Christian Democrat Premier Andries Van Agt preached discipline—lower government spending, a cutback on welfare, a lower public hortowing requirement and, above all, priority for a restoration of companies' profitability. This, the Conservative leader proclaimed, was the way to tackle the problem of unemployment, expected to rise to close to half a million next year, well over 10 percent of the labor force. Joop Den Uyl, the Socialist leader, wanted \$1.5 billion to be spent on an emergency job program. This, in turn, meant a continuation of the kind of budget deficit the Netherlands has experienced in the recent past.

The Dutch have been trying to put their emitvalents of Margaret The Dutch have been trying to put their equivalents of Margaret Thatcher and Tony Benn, to name but one example, onto a Dutch

The policy and personality clashes that brought down the second Van Agi government — the first time he had ruled with the rightist Liberals — touched upon the so-called Dutch disease or the alleged squandering of natural gas revenue on consumption. Put another way: Should the money go into the modernization of Dutch industry or toward material well-being, ootably relief for the uncouployed? The first choice seems to be gaining ground and has the support of the increasingly important D'66 center party.

The policy of the first Van Agt government was to safeguard the

Herald Tribune

PARIS, NOVEMBER, 1981

Dutch gas reserves in the North Sea and import large quantities from other gas producing nations. Imports have not materialized because of feuding among gas producers over pricing. There is strong pressure in the Netherlands to pump more home gas for home use. Gas is the central economic topic. A country previously based on agriculture and trade has 10 to 20 years (the estimated life of reserves) to create the economy of the future. The other topic is whether Dutch affluence is dead. Cynics say that it has been dead for a few years. Others, like Peter Oosthuizen, international director of the major Amro bank, stated categorically: "The economy is still buoyant."

Spending Ton Much

Affinence dead? Dutch tourists still crowd the highways of Western Europe throughout the summer as they head for their foreign residences. A Dutch leader in a European bicycle race is guaranteed to "flush out" the Dutch from their farms and villas. The strong guilder policy of the central bank is likely to reduce what has become a very serious tourist imbalance. Amsterdam seems full of tourists throughout the year, but

the average Dutchman has been spending too much abroad in the eyes of treasury officials.

The outsider has a feeling of well-being in the Nertherlands. The unemployment figures are high, but much of unemployment is disguised in the form of generous disability pensions, another Dutch disease. You tell your doctor that you are about to be fired and he signs a paper saying that physically or mentally you are until for wark. The high cost of living is balanced by this super welfare system. The new government will have to have to make charges or better revise the structure of will have to have to make changes or, better, revise the structure of

The big banks look at the situation with a wary eye. At ABN, the (Continued on Page 13S)

By Robert Schuil

A MSTERDAM — When the second Van Agt Cahinet, a center-left coalition of Christian Democrats, Labor and left-liberal Democrats '66 — as opposed to the first Van Agt Cahinet, which was a center-right coalition of Christian Democrats and conservative Liberals — finally got around to telling the iower house of parliament its intentions for the next four years, it could already lay claim to a unique position in the annals of Dutch

It is the first government to have fallen before even getting as far as presenting itself to parliament. Although one previous Dutch cab-inet, at the end of the 1930s, was even more short-lived, it at least had the grace to let itself

be dismissed by parliament. The news that the second Van Agt Cabinet had resigned at 4:30 a.m. on Oct. 16, just five weeks after naving been sworn in, was not generally known in the Netherlands until nooo that day because of a five-hour radio and televisioo strike.

Any but the most casual observer of the Dutch scene must have been struck by the fact that the two occurrences were wholly out of character. More than one commentator was led to wonder whether the country had be-come not only an exporter of various Dutch diseases — Hollanditis being the most recent — but also an importer of Belgian and Italian

Although the coincidence of the political crisis and the hroadcasting strike was purely fortuitous, both events did have a common de-

The broadcasters went on strike because

they felt the networks were not using a 2-per-cent cut in salary to create jobs, as had been agreed. And the Cabinet resigned because of a elash over ways and means to finance an ambitious scheme to create jobs put forward by the social affairs minister. Joop den Uyl, who is also the leader of the Labor Party, As in most other West European countries,

Growing Unemployment Figure Is the Biggest Problem

soaring unemployment is the greatest head-ache facing the government, against a back-ground of despening economic gloom. The of-ficial unemployment figure is rapidly ap-proaching the ominous half-a-million mark, which will mean that one out of 10 members of the working population will be unem-

Yet the fall of the Cabinet over this issue came as a surprise — partly because it rankled the democratic Dutch that the crisis should occur before the government even got as far as parliament, which has been cooling its heels since the May 26 elections, but also because observers were intently watching another time bomb tick away under the coalition: the siting of Cruise and Pershing-2 missiles on Dutch



If ever there was a political marriage of con-venience, it is the union of Christian Democrats and Labor in the present coalition. In fact, getting the two parties' leaders, Mr. Den Uyl and the Christian Democrat Premier Andries Van Agt, together in one cabinet holds all the promise of a shotgun wedding.

The Dutch political scene is dominated by four political parties. The leavest after the

four political parties. The largest after the May 26 elections, with 48 seats in the 150-seat lower house, is the Christian Democrat Appeal (CDA), which is a fusion of two Protestant and a Catholic party. In size, the CDA is followed by the Labor Party with 44 seats. Third is the rightist Liberal Party (VVD), which plays the role of conservative party by Dutch standards, with 26 seats. The fourth party is a relative newcomer, set up as its name indicates in 1966, the Democrats '66, a party with mainly left-liberal inclinations that projects itself as the "reasonable alternative," presumably to people who find Labor too far left for their liking and the Liberals too conservative. D'66, as the party is usually known, has 17 seats in the lower house, and as a political phenomenon has been likened to the Social

Democratic Party in Britain. This image is enhanced by the Democrats' resounding election victory in May. It was the only major party to win, leaping ahead from eight seats to its present 17. The Christian Democrats lost one seat, Labor nine — pre-sumably to D'66 — and the Liberals two seats.

**End of Majority** 

The Christian Democrat and Liberal losses meant the end of their thin but surprisingly viable two-seat majority in the lower house, which had kept the center-right coalition alive for its full four-year term of office.

This situation placed Mr. Van Agt in a peculiar dilemma. He would personally have continued his alliance with the Liberals, but although the premier remains through his

although the premier remains through his grass-roots electoral appeal his party's un-disputed leader, a majority of CDA members of parliament were relieved that the election outcome left the Christian Democrats no option but to attempt to form an alliance with



Joop den Uyl

Labor. This lack of options was dictated by D 66, which had committed itself not to enter into a coalition with the Liberals, a stand it may have regretted when the crisis broke out and it found itself siding with the CDA minis-ters against Mr. Den Uyl and his Labor col-

leagues.

Jan Terlouw, the D'66 leader who is second vice premier and economics minister, found himself with restricted powers after Mr. Den Uyl managed to set himself up as a sort of super-minister for social affairs with sweeping powers where all aspects of the unemployment problem were concerned. Mr. Terlouw is known to favor industrial innovation as the long-term solution to the country's economic problems, particularly when natural gas - the (Continued on Page 95)

### Reoriented Space Program Approaches a Turning Point

By Judith Burtt

A MSTERDAM — Late next August, if all goes according to schedule, the Dutch will send into orbit their second national satellite, IRAS, which will make a celestial map of the sources of infrared radiation in space.

IRAS, for Infra-Red Astronomical Satellite, marks a turning point for the Dutch space program. Last summer, in a significant policy change, the government decided that IRAS would be the last national program for at least the next five years and that the Dutch would concentrate their space ef-

rears and that the Dutch would concentrate their space efforts within the European Space Agency.

The Dutch originally became involved in space in the 1960s. Although as a small country they were unable to develop a large national program, like that in France, they felt that, with their strong aeronautical and electronics industries, represented by Fokker and Philips, respectively, and with their highly competent astronomers, they were well-situated to enter the space field. The Dutch also realized that without this involvement, their industries would not acquire the techthis involvement their industries would not acquire the technical know-how to compete internationally and that their sci-entists would be severely handicapped.

"Our interest stemmed from the fact that we saw this as a

stepping stone for industry to huild up their knowledge in the space sector. If you don't have the knowledge, you can't compete. But we needed first to do our homework before going on the international market," said R.F. de Bruine, director of research and development in the Ministry of Economic Affairs. He added that the technical knowledge of industry "is now competitive."

As a result, the government, in a policy memorandum last

summer, decided to recrient its space program toward international cooperative ventures, especially within ESA, and toward developing application — suco as telecommunications and Earth observation — satellites rather than scientific ones. In has budgeted approximately 100 million guilders a year during the next five years for space. In 1982, 80 percent of this will go to ESA, and 20 percent to national programs.

according to Mr. de Bruine. "This is a major policy shift." said Dr. Peter Tinoemans, head of the Division of Industry-Oriented Research in the Ministry of Education. "We decided that it is no longer feasible to make our own satellites and we have, therefore, chosen for a much more intense involvement in ESA."

The Dutch, Mr. de Bruine noted, have such a small market that international cooperation is imperative. 'As a developed country it is an area which you can't miss," he said, because of the spinoff effects on the economy and on technology. But, he added, "we can't cover the whole field and we bave to be selective in what we do and don't do." The government's aims, he added, are long-term and include a desire to see a greater involvement in commercial space projects.

Pillars of Effort

The policy change is not without its critics in industry, who find themselves confronted with stiff competition to win ESA's hucrative contracts on satellite systems. "We found we could not afford not to get into space," said Pieter van Otterloo, coordinator of space activities for Hollandes Signaalapparaten of Philips, but at the same time, "we cannot earn money in space." Philips, he said, rarely becomes a prime contractor for an ESA program, "which means you inevitably lose capabilities that you gain on large projects, and in order to get contracts you must show a capability.

The two pillars of the Dutch space effort, Philips and Fokker, both private companies, became involved in space in the 1960s and turned to the government for help. They felt that only a national program in which they would be the prime contractors for a satellite system would enable them to acquire technical competence in the field. Under prodding from them and from Dutch astronomers, the government in

1968 embarked on its first national project, the government in 1968 embarked on its first national project, the Astronomical Netherlands Satellite (ANS).

ANS was developed by a Fokker-Philips consortium under the supervision of the Netherlands Agency for Aerospace Programs (NIVR). a semi-governmental agency. It was launched in 1974, making the Netherlands the 11th country to have a satellite. During its two-year life span, it acquired data on cosmic X-rays and ultraviolet sources in space that are still being studied by astronomers.

are still being studied by astronomers.

The ANS and IRAS programs gave a substantial boost to the Fokker and Philips efforts although both companies only devote a small portion of their budget and staff to spacerelated activities. At Philips, space research and development is spread over three divisions: Hollandes Signaalapparaten (Signaal), Philips' Telecommunicatie Industrie and Electro-Acoustics Division, with Signaal having the greater share. Most of Philips' work is in developing complex electronic satellite components and subsystems, such as light-weight on-

(Continued on Page 15S)

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Tel. 010-896911. Telex 23077.

rotterdam. it means business. By Charles Batchelor

A MSTERDAM — The Dutch shipbuilding industry now seems set to sail into calmer waters after the battering of the past few years. Much leaner than at the start of the 1970s, shipbuilders are now confident of their ability to defend their position in world mar-

Dutch yards delivered 240,000 compensated gross registered tons (adjusted to take into account the amount of work involved) in 1980, just over half the amount in 1979. But new orders rose to 326,000 tons from 280,000 tons. This was achieved with a workforce of 34,400 - 1,400 fewer than in 1980 and 16,200 fewer than in the peak year of 1973. In October, 1981, Dutch yards were working on or-ders for 478,000 tons of new shipping, 13 percent more than 12

Despite the improvement in the Dutch shipyards' order books, many problems remain. Wage rates are still very high compared with foreign competitors. The firmness of the guilder makes it difficult to compete with foreign yards billing in dollars while interest rates in the Netherlands push up financing costs. Many yards are still forced to accept unprofitable orders simply to keep their work-

Nevertheless, some measure of the government's optimism that the worst is over can be seen from the proposal to gradually reduce state aid. After pouring more than \$400 million into supporting the vards in the late 1970s, the government abruptly changed tactics last year. The volume of aid has been and fundamental changes made in the way it s granted, Shipbuilding capacity has been

reduced by half in the space of just four years. After initial reluctance, the Dutch yards have given up the struggle to keep a foot hold in the market for really large vessels. Yards once capable of turning out 300,000 deadweight ton (dwt) tankers have been closed and the largest vessel which could oow be huilt is 80,000 dwr.

### Restructuring Program

The Netherlands is concentrating on smaller, more specialized ships, such as dredgers, reefers and fishing vessels. Japanese and South Korean yards show a positive reluctance to tender for the more complex vessels leaving an opening for the Dutch, a meeting of the National Association of Shipbuilders (Cebosine) was told recently.

The restructuring program for the industry got under way in 1977. The yards were divided into five categories; the large capacity yards — in effect, the Rotterdamhased Riin-Schelde-Verolme (RSV) group: the medium-sized yards; specialist yards grouped around IHC, which builds dredgers; 12 smaller yards along the Rhine and some 20 yards on the northeast coast.

The commission set up to direct the restructuring program encouraged unprofitable yards to merge or close down and persuaded others to cooperate in areas such as export marketing. With the excep-tion of the profitable naval shipbuilding yards, capacity was re-duced in all five categories.

But the success achieved was only limited, a parliamentary com-mittee concluded in 1979. The position of many yards was still critical and a lack of coordination meant that the shipbuilders often did not know how to apply for aid. Controls on bow the money was

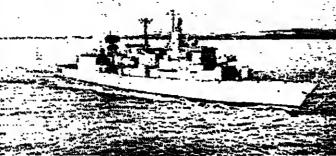
The main criticism was that aid only went to the loss-making yards. Many, which by their own efforts were just profitable, received no help. The government paid 75 percent of any losses, the shipyards the rest. The scheme, which replaced this in January, 1980, attempts to reward success.

A yard may now claim subsidies amounting to 10 percent of its average turnover in the previous three years. The amount of aid increases with the size of the order rising from 1.5 percent on an order worth \$5 million guilders to 15 percent on orders worth \$15 million guilders or more. This system is intended to give yards an incentive to sign new orders and make management feel they are more closely involved in the battle for profits. Since the aid is available to any yard there is less distortion of

competition. Cebosine has welcomed these changes in the aid system. One weakness though, is the require-ment that individual vessels covered by the scheme must be worth at least \$5 million guilders each. The Akerboom shipyard, of Leiden, was recently forced to share a \$20 million guilder order from Nigeria with a subsidized West German company. The eight ships on order were too small to

qualify for aid in the Netherlands. Dutch yards are often able to make otherwise competitive bids, which fall down because the financial conditions are not right. The Dutch government does offer in-terest rate subsidies at levels agreed by the Organization for Economic Cooperation and Development (OECD), but interest levels have been so high that they provide little relief.

Holland American Line (HAL) two-year review. company with a 1980 urmover of ordered two large passenger liners from a Dutch shipyard a year ago. Three large companies will \$229 million guilders, is also enspearhead the country's shipbuild-gaged in an advanced naval order.



HMS Kortenaer, navy frigate built by Rijn-Schelde-Verolme.

A Dutch yard was approached to do the joh but was unable to provide a competitive financing arrangement, Hal said. Another Nedlloyd, recently ordered two container vessels from a South Korean vard again because the financing package was more attrac-

next three years and a start has already been made. It also wants to stop providing separate interest rate subsidies and include these in the general support arrangement.
Optimism that the industry will soon be able to stand on its own feet is based on forecasts produced

pean Shipbuilders (AWES) that demand for new vessels will increase after 1983. By 1987, demand should be at levels prevailing before the shipbuilding slump in the mid 1970's. The Netherland's share in this upturn will depend on its ability to

by the Association of West Euro-

build specialized vessels requiring a high degree of expertise and re-search, Cebosine said in its latest

ing effort in the 1980's: Rijn-Schelde-Verolme (RSV), with 1980 turnover of 2.4 billion guilders, has undergone the most radical reorg-Dutch shipping company, anization, shutting down its largest yards and placing 43 percent of its shares in the hands of the government in part return for 450 million guilders worth of aid. RSV has also simplified the management The government would like to structure, which had emerged wind down its subsidies over the rather haphazardly from years of merger activity.

Unfortunately for RSV, no sooner had it solved the problems of its shipbuilding divisions, it ran into difficulties on the engineering side. A number of projects to supply power-generating equipment to Algeria will produce large losses. The most consistently profitable

part of RSV's activities has been its naval division, building frigates, corvettes and submarines. RSV caused a diplomatic uproar when it negotiated the sale of two advanced "Swordfish" class submarines to Taiwan - the first time the Taipei government had placed an order for large-scale modern ar-maments in Western Europe. Van der Giessen-de Noord, a

### The Options Exchange Venture

By Victoria English

MSTERDAM - Supporters say that it is an example of Dutch courage. Cynics label it a folly. But traders who make a living from it say that it works, although on a smaller scale than was

They are talking about the Euro-pean Options Exchange (EOE). Europe's first venture into traded stock options, which began nearly four years ago as a bid to cash in on a business that had been so successful in the United States. From the beginning, the EOE had an amhitious concept. This was to create an international market where share options denominated in several European currencies as well as the U.S. dollar could be traded on the floor of a single exchange using English as a common

Today, the problem of national-ism haunts the EOE and means that the exchange is still a long way from fulfilling its original goal of becoming a genuinely European market. But if there were any doubts about the survival of the institution itself, these have largely

been put to rest. This is because the EOE is playing an increasingly important role in generating business for the Amsterdam Stock Exchange, its founder.

### Operating Subsidies

In return, the stock exchange provides the EOE with operating subsidies and absorbs its net losses. This year, the EOE will receive 800,000 guilders in subsidies, but the exchange expects its net result to show an improvement from the previous two years. In 1979, net losses exceeded 4 million guilders, after subsidies. In 1980, oet losses were 203,000 guilders, after subsi-

In the first nine months of this year, however, the EOE had a net profit of 100,000 guilders, against an anticipated loss for the same period of 750,000 guilders. "These results don't mean that we will show a profit for the year as a whole, said Tjerk Westerterp, the EOE's general manager. "But it does illustrate that this market is viable and that we will carry on in the future.

Nationalism remains a problem for the EOE. This was first manifested in a decision by the London Stock Exchange to open a compet-ing market in options less than three weeks after the EOE's inauguration in April, 1978. Problems for the EOE mounted when the Banque de France issued a ruling effectively declaring French op-tions off limits for French residents. Nationalism is further illustrated in the reluctance of the big West German banks to actively participate on the EOE, members

As a result, most of the stock options listed on the EOE are Dutch, leaving only eight U.S., five West German and one Belgium

# The Netherlands

class to give trading an interna-tional flavor. Options on British shares have been discontinued. French options, dormant for some time, will formally be deactivated following the Mitterrand government's decision to nationalize leading French companies, Mr. Westerterp said.

Despite these setbacks, EOE officials are undaunted. They have increased the number of classes in the Dutch sector to 11, and together these account for more than 80 percent of the market's turnover. in April, they introduced a market in options on gold bullion. And on Nov. 24, they will open a market in fixed-income securities, initially consisting of three Dutch govern-ment bonds with staggered maturities and cominal values of 1 billion guilders or more.

Investors will be able to trade both calls, which give the pur-chaser the right to buy the underlying bond at a set price within a limited period of time, and puts, which confer the right to sell the underlying debt issue. Sharp fluctuations in the level of interest tasks which the level of interests the should make this interests. rates should make this instrument attractive to both the individual as well as the institutional investor, the EOE believes.

"In the last eight months, we've seen Dutch bonds issued with coupons ranging from 10 percent to more than 12 percent. Options could be an interesting activity, especially for institutions that may want to get a better performance out of their portfolios," Mr. West-exterp said. He added that, if the turnover is satisfactory, the EOE might also look into the possibility of listing options on dollar, sterling- or Deutsche mark-denominated bond issues.

Bond options represent the latest example of a series of new products brought forward hy the EOE in the last three years. Critics claim that the management's appetite for new products is too big, in-viting disillusionment in the future. Even members of the EOE question the wisdom of some of the management's plans, but they do appland one development: the increase in the market's turnover to an average of about 4,500 con-tracts per day, double the level of two years ago.

Two years ago, the EOE launched a public relations campaign, trying out a "hard sell" approach on options in an effort to galvanize the individual investor and generate more turnover in the Dutch share option classes: Brodirectly. What they do observe is a rise in the level of public participation to slightly more than 50 percent of all trades. A second positive development is the distribution of trading over a wider range

Until the end of 1980, Royal Dutch Petroleum Co. accounted for more than half of the EOE's total turnover, giving rise to quips that the market should be renamed "the Royal Dutch/Shell options market." This year, trading is spread out over a number of other Dutch classes, including Philips, KLM, Akzo, Hoogovens and Uni

Philips and Shell are still the most active classes but now we have a better balance," a member

This means that turnover is not so dependent on the price develop-ments of a single underlying stock Another consequence is that the EOE has become a more integral part of the local stock exchange. This occurs because an options contract confers the right to buy or sell a specific oumber of shares within a fixed time period. Activity on the stock exchange may arise for example, when a professional options trader decides to cover his position by buying or selling shares or when an investor decides to exercise his option and buy or

sell the underlying security.
It was this interlocking relation-ship that the Amsterdam Stock Exchange sought to forge when it agreed to underwrite the cost of an options market in the first place.

The stock exchange has invested obout 20 million guilders in the EOE during the last four years, including the cost of renovating the physical facility, the site of the former Dutch corn exchange, as well as the provision of operating subsidies. These operating subsidies will end in 1982.

Mr. Westerterp maintained that the EOE's results for the first three quarters give management reason to believe that the exchange "can stand on its own feet." But it may be a considerable time before the EOE can begin paying back the stock exchange's investment. In the end, the survival of the

EOE is a less relevant question than whether it will ever become a booming market,

Trading is still fairly restricted. Liquidity in some share options classes is too low and speads are very wide. But the growing inflaence of the EOE on the stock exchange is a good development. We kers say that it is difficult to mea-sure the success of the campaign said a pension fund manager.

### Insurance Firms in New Round of Foreign Takeovers

By Bruce Barnard

MSTERDAM - Dutch insur-A ance companies have em-barked on another round of foreign takeovers that will push their total spending abroad, since 1978, to over \$900 million, most of it in the United States.

The latest entrant into the foreign market is AGO, Holland's largest mutual insurer, which recently launched a bid for control of Life Investors of Cedar Rapids, Iowa, in the face of fierce oppostion from the American company's

AGO spent \$148 million, in the past three years, building up a 42 percent stake in Life Investors, which had premium and investment income of \$295 million in 1980. AGO's purchase of Life Investors stock had the full backing of the American management, but when it announced in September, plans to huy a further 1.5 mil-lion shares for \$51 million to take

cootrolling 56 percent stake, the Life Investors' management chal-lenged the bid despite its acceptance by holders of 2 million

Life Investors' management has fought the bid through the Iowa state insurance commissioner and five district and state courts that have all ruled in AGO's favor. An appeal was pending, late October, to a Minnesota federal court,

### Ran Into Trouble

Ennia, the Netherlands' third largest insurer with a 1980 premium income of 1.57 billion guilders, also ran into trouble with its \$144 million bid for the National Old Line Insurance Company of Little Rock, Arkansas, Ennia had reached an agreement with holders of 66 percent of the group's voting stock, but bolders of the non-voting shares objected because they were offered only \$26.75 per share against \$80 for the voting shares. New terms were agreed recently

giving non-voting shareholders a larger share of the total bid. These small events are unlikely

to dampen the enthusiasm of Dutch insurers who have been scouring the market for well managed and profitable medium-sized foreign companies, preferably in the United States, because they have outgrown the stagnant domestic market and are keen to spread their risks. The home market is character-

ized by a high level of competition, with 14 millino Dutch consumers being served by 61 life companies and 828 con-life offices. There is little scope for the larger companies to increase their share of business - Nationale Nederlanden and Amey dominate the Dutch insurance sector for about 75 percent of life premiums and 70 percent of non-life premiums.

The domestic market is also slowing down after a decade of steady growth that boosted compa-nies' profits and provided them

with large cash reserves to huy into foreign insurers. The economic slowdown has squeezed margins in the life business. Non-life husiness is harder to come by and the collapse of the real estate market in the past two years has reduced op-portunities for mortgage-linked policies. Non-life business, which provided most of the growth in the past five years, has also rum out of steam because of increased compe-

### Flush With Cash

Flush with cash from the good years, Dutch insurers have been able to maintain premium income and earnings by coming down on profitable operations elsewhere. Nationale-Nederlanden, the top Dutch insurance group with prem-ium income of 6.1 billion guilders last year, set the pace for the other companies with a hotly contested bid of \$330 million in 1979 for Life Insurance of Georgia in the Unit-ed States.

Earlier this year, Nanonale-Nederlanden fought off two rival bidders to take a 50-percent stake in Mercantile Mutual Holdings of Sydney for 48 million Australian dollars. Nationale-Nederlanden was able to swallow the acquisition costs with relative case because its net profits grew from 155 million guilders to 356 million guilders between 1975 and 1980.

Amey, ranked second in the Netherlands with a 1980 premium income of 2.2 billion guilders, paid \$134 million last year for Interfinancial Insurance of the United States to add to a list of foreign acquisitions that include Time Insurance of the United States in 1978, Gresham Life Assurance of the United Kingdom in 1979 and United Dominions Trust (Australia) a year later. The Interfinancial acquisition is likely to be Amev's last foreign purchase for some time because the price paid represented about 36 percent of the company's stock market capitalization.



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The compromise that, after

fied no one, least of all the elector-

ate. In the pact originally agreed on by the three coalition partners

it was pledged that there would be

no further increase in taxation.

while now, albeit in roundabout

ways, a further hurden, which will

provide the finance for Mr. Den Uyl's employment scheme, has

been placed on the shoulders of

the shrinking working population.

With the steady erosion of pur-

chasing power — it is estimated that the lowest paid will lose an-

other 1.2 percent in 1982 — during the last few years, people are al-ready finding it impossible to

Under the circumstances, it is

hardly surprising that the coalition

partners felt they had little choice

but to strive for a continuation of

the present government, because

none of them, with the exception of D'66, would have benefited at

this point by the only alternative,

**Biding His Time** 

So for the time being Mr. Van Agt and Mr. Den Uyl will bave to

put up with each other. But there is a suspicion that Mr. Van Agt is

biding his time. The premier has been surprisingly unobtrusive, al-

most to the point of reticence, since the new Cabinet was sworn

in on Sept. 11, while Mr. Den Uyl

has been tenaciously prominent at

Mr. Van Agt's fondest dream

must be to see the coalition come

apart in the not too distant future

under circumstances that would

put the blame squarely on Labor's

shoulders. He would then proba-

hly go for a snap election in which

he could hope to win a few seats,

hut probably even more so his for-mer Liberal allies, who could hope

to reap the benefits of their present

One problem facing the Cabinet

on which Mr. Van Agt will not at-tempt to force the issue is the deli-

the center of the crisis.

oppositioo role.

make ends meet.

By Richard de Burnchurch

A MSTERDAM — The character of the Dutch people is contradictory in many respects. On the surface, they are cool, calm and efficient, but beneath the formal exterior there is a great deal of

warmth and expansiveness.

When the Dutch believe, they believe with passion. At the same time, they have a tradition of tolerance and a strong, if restrained, sense of humor — they can laugh

There is a marked tendency to take things seriously — the Dutch work hard and play hard. The family and home are very important. Great importance is attached to birthdays — these are always ac-companied with gifts and cards. and a big party is held within the extended family. Weddings also tend to be on a magnificent scale.

The saying that an Englishman's home is his castle applies to the Dutch. Their love of cleanliness and neatness is reflected in their homes. They like everything it its place. The home invariably con-tains masses of potted plants, knickknacks and souvenirs. Being great travelers and linguists, the Dutch collect things from all over the world. About 16 percent of the annual budget is spent on house-bold goods and furnishings — more than twice the share in the United States or Britain, for exam-

### A Hard Bargain

The old saying that in matters of commerce the fault of the Dutch is giving too bitle and asking too much is not true. It is true that in business they drive a hard bargain. This comes from their attention to detail in everything - they always read the fine print, and examine things from every aspect before de-ciding. At the same time, they are noted for keeping their word when they make a deal and for paying

They are often accused of hairsplitting and of being disputations. The hair-splitting is best-illustrated in religion and politics. Radio and television time is decided by pro-portional representation. Any group of people that numbers 100,000 representing any point of view qualifies for inclusion. Apart from Roman Catholics (40.4 percent), there are innumerable Protestant denominations, the main ones being the Dutch Reformed Church and The Reformed

Some political parties are based on denominational principles, so that there are Roman Catholic, Protestant and neutral parties, for example. There are Protestant. Catholic and ocutral sports clubs, and in addition to the Red Cross there is the White-Yellow Cross (Koman Catholic), Orange-Green. ry, published by Wouter Wagner in Cross (Protestant) and the Green the Netherlands.

SFAC

Cross (neutral). There was even a Roman Catholic goat breeders association. These divisions extend to newspapers, employment and shops for some people. Strangely enough, this leads to a stable society. To the youth of today, these divisions are lessening - they have found new values.

It has been said that the Dutch have their heads in the clouds and their feet on the ground. It is wellknown that they support all sorts of causes — they have strong convictions about things, but they are realists and know how to compromise. Socially they are very aware, and are generous with foreign aid. They are not mean with money, but they are careful and do not be-

The general level of education and culture is high. The Dutch spend a lot of money un books in three or four languages. Life-style differences are less marked between social classes than in many other countries - people tend to be modest and there is a general lack of ostentation. This comes from the republican spirit that is so strong in the Dutch char-acter. Until 1815, the Netherlands. apart from a short period of French domination, was a repubhic; consequently there was no court life, although the princely family of Orange-Nassau was usually at the center of affairs. The upper classes were mostly merchants, as in Venice, and not on the whole a landed aristocracy. The monarchy of today is part of the landscape and its presence is

seldom questioned.

The Dutch love the sea, and it has played a great part in their his-tory — the Dutch Empire was estory — the Dutch Empire was es-sentially scaborne. The saying that God created the world but the Dutch created Holland is not quite true, but they have increased the size of the Netherlands by making polders and creating good agricultural land. Throughout its history, Holland has been invaded by floods, usually naturally, although sometimes deliberately as a weap-on against invading armies. The constant struggle for mastery of the sea has played a formative part in the Dutch character. The flat countryside and vast sky and the omnipresence of water have in-

spired innumerable artists. The most striking Dutch characteristic is independence: The Dutch do not like to impose themselves on others, and likewise do not want to be imposed upon. For example, the idea of carrying identity papers is totally unacceptable to Dutchmen.

The author has written a book entitled "An Outline of Dutch Histo-



### Beer Maker to the World Is Expanding

By David Post

Beer is the generic name for alcoholic beverages made by fermen-tation of extracts derived from cereal grains or other starchy materials. Known to the Egyptians, Babyloni-ans and probably earlier civiliza-tions, beer became the common beverage in northern climates not conducive to grape cultivation.

A MSTERDAM — Today, beer is consumed in all climates, and to millions of people in 170 countries beer is quite simply. Heineken. The Dutch brewing group is now ranked fifth world-wide after Anheuser-Busch, Miller, Japan's Kirin and Denmark's United Breweries. Yet sales of these products are limited largely to the home markets while about three-quarters of Heineken's annual sales of nearly 26 million hectoliters is sold outside the admittedly small Dutch market.

Part of this is produced outside the Netherlands, in the rest of Eu-rope, the Caribbean, Africa and the Far East, Beer brewed under the supervision of Heineken is known variously as Heineken, Amstel and Star and certain local brands. Only 7,000 of Heineken's 20,500 employees worldwide are based in the Netherlands. The group is involved in soft drinks and distilled spirits, and distributes other beverages, but beer sales exceed \$1 billion a year and ac-count for well over two-thirds of the net turnover annually.

Heineken is unarguably the world's most exported beer, and in the United States alone it accounts for 1.1 percent of all beer sales and well over 40 percent of all sales of beers imported into the United States. It is the 10th most popular brand of beer there (and the only premium beer in the top 10), and in a period of decline when in 1864

this fact alone makes Heineken the largest user of containers west-bound on the North Atlantic, filling nearly 2,000 40-foot containers each month

### Three Breweries

There are three Heineken breweries in the Netherlands. The one in Amsterdam, across from group headquarters, is mostly a calling card, with more than 70,000 people a year visiting it for a tour and a taste. The other two breweries, at 's-Hertogenbosch the export brewery — and Zoe-terwoude — one of the largest breweries in the world — are undergoing major expansion pro-

Heineken's success lies in its consistent quality and marketing policies. Markets and tastes differ, so advertising campaigns are geared to local appeal. However, the low-key and highly successful international campaign sums it up: "When you make a great beer, you don't have to make a great fuss." The Heineken you huy in New York or Amsterdam or Tokyo or wherever tastes the same. To match other taste preferences, the group also produces a number of local brands

Amsterdam itself is a city that was built on beer. In 1275, Floris V, count of Holland, gave the small fishing village established on a dam on the Amstel River (thus the name, originally, Amstelledam) the right to tax beer en route from what is now West Germany to Flanders. Water in the village was brackish and virtually undrinkable, and the villagers developed a taste for beer. They also began to brew locally. .

Heineken traces its roots back to 1592, when the brewery De Hooiberg (The Haystack) was built in

a certain Gerard Adriaan Heineken, then only 22, bought it.
Four years later, he moved oper-

ations to new premises on what was then the outskirts of the town where the group's present Amsterdam brewery is located. Heineken is now headed by his grandson, Al-fred H. Heineken. The firm's sim is, and always has been, to produce a top-quality beer and market it over a wide area.

Brewing process control was quickly adapted, and unique cooling facilioes as well as a method to control the fermentation process were developed. A student of Louis Pasteur employed by Heineken as a biochemist succeded in selecting and separating a specific yeast cell. Known as the A-yeast cell, it is still kept alive and is responsible to a great extent for the taste and constant quality of Heineken beer

today. The Dutch home market, even in those days, was small. Exports to other parts of Europe, particularly Belgium and France, began, and sales to the Dutch colonies were stepped up. In 1929, the first bottle-filling machines were installed and four years later, after the repeal of Prohibition in the United States, Heineken appeared for the first time there.

After World War II, Heineken entered a period of great expan-sion outside the Netherlands, particularly as German export capacity was practically eliminated. Serious and effective marketing methods were introduced and Heineken was among the first breweries to realize the importance of the take-home market.

Today, Heineken continues to expand its international beer operations through export, licensing and participations. It is deter-mined to remain the most exported and probably the most famous beer in the world.

framework of NATO's moderniza-

Netherlands' ooly natural source, which was mainly used to Mr. Van Agt is personally probturn the country into something of ably not opposed to the string but this would go contrary to popular a social welfare paradise - runs sentiment in the country, where a But with the emphasis laid on powerful peace lobby actively op-Mr. Den Uyl's scheme, Mr. Ter-

None of the three coalition partners has come out in support of the siting. The Christian Democrats are noncommittal and want to defer any decision. Labor is adamantly opposed, while D'66 is opposed "under the present circumstances," which means that it will only reconsider if talks with the Soviet Union, scheduled to start in Geneva at the end of the

month, lead nowhere. The fact that these talks are only getting under way nearly two years after the NATO decision in December, 1979, to modernize theater nuclear weapons has given the

Dutch government an excuse to defer its decision on the siting. It told its allies in December, 1979 that it would make such a decision by the end of 1981 but with the provision that it would do so in the light of progress made in the talks with the Soviet Union.

Both Max van der Stoel, the foreign minister, during his recent visto Washington, and Defense Minister Hans van Mierlo, one of D'66's founding members, during the NATO nuclear planning group meeting in Scotland in October. have been at pains to explain to allies, and the United States io particular, that the Dutch are not anti-American or neutralist, and that they do not suffer from Hollanditis. And not without result. Washington seems to have grudgingly accepted deferment of the Dutch decision and will probably refrain from putting too much

### Nation Continues to Draw Investment From the U.S.

By Alan Tillier

THE HAGUE — The Dutch are the major foreign investors in the United States, and the United States continues to be the country most interested in setting up new plant in the Netherlands.
With investment incentives

slowly being brought into line among West European countries, the Dutch are offering potential investors a "package" made up of good labor relations, high productivity and an intelligent work force capable of producing quality goods. They have argued that these factors ourweigh high Dutch labor costs — or the myth of high labor costs. Industrial unit costs have been falling due to an incomes' policy that has temporarily dropped full-scale price-wage in-dexation. There is also a realization among large sectors of the working force that it is dangerous for jobs to push for the automatic

rises of the past. A.J.M. Weebers, the government's foreign investment commis-sioner, ocked off the good results of the first six months of this year: 15 deals, 400 million guilders of investments, 1,100 direct jobs. And the majority of newcomers were

Digital Equipment, the leading producer of interactive computers, is leasing a large plot at Nijmegen to service and distribute replacement parts of its computers throughout Europe.

Diet Food

Bristol Meyers is likely to choose the same eastern Dutch city as the location for a diet food plant. Nijmegen is halfway between Rotterdam and the Ruhr, and has a skilled labor force and dozens of academic institutions. cate matter of the siting of 48 ou- U.S. companies such as Hyster

lished in the city, which is able to grant newcomers special financial support because of its designation by the government as a priority area. It seems that new companies appreciate the Netherlands' open nomy. Tax treaties with the United States eliminate double taxation and allow credit for withholding taxes against Durch tax liabilities.

Investment incentives vary from one European country to another despite what the European Economic Community is trying to do in the way of harmonization. But a Dutch official said: "The extra incentive is good for four to five years, whereas a serious investor is looking to a 30- or 40-year period

and at productivity."

The major U.S. oil companies have long liked the Netherlands, and Exxon's advertising campaign a year ago with its message can build on Holland" was but one example. There is a regular up-grading of existing U.S. investment and a strengthening of U.S.-Dutch commercial ties.

There is a feeling in the Nether lands that U.S. companies in general are again investing abroad. Certainly, the majors such as Exxon and Chevron are constantly pouring money into new local technology, but a company like Apple Computer has opened a support center in Zeist because of the central location for Western Europe. The Dutch have the great advantage of speaking English. An Apple executive said: "The Dutch have more experience in dealing with international currency than many European countries, but they also have a more multilingual approach. It's a lot easier to do business when you can do it on the

Philips Telecommunications specialise in project realisation, network design, public telecommunication networks, analogue and digital telephone exchanges, private telecommunication networks, coaxial line and optical fibre transmission systems, satellite earth stations, microwave, VHF, HF and UHF radio, telex-via-radio, intelligent telex and telephone terminals, wordprocessors, teletext, viewdata, data input/output terminals, PABX's, integrated business communication networks, customer staff training and after sales service.

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### Rotterdam Investing For Brighter Future

By Alan Tillier

ROTTERDAM — The world's largest port is suffering from the drastic drop in demand for oil products, but it is not for nothing that other Dutchmen say Rotterdamers buy their shirts with the sleeves already rolled. This vast gateway to Western Europe is investing about 12 billion guilders in better facilities and deeper chanoels, and plans to be bouncing back into profit by the mid-1980s.

Eight-month figures for the port as a whole were not encouraging. Total tonnage (oil, coal, ores, roll on/roll off, cootainers and other sectors) fell 13 percent from 218 million metric tons in 1980 to 190.5 million tons during the first two-thirds of this year. Crude oil for the Netherlands and Western Europe, the heartbeat of the 20-mile-long port, was off 24 percent, and Rotterdam was headed for the same situation as last year, when the refineries and re-exporters handled 117 million metric tons, a 17-

percent drop from the 1979 total of 141 million tons. High prices, swollen stocks, a world recession and energy saving measures contributed to the fall in Rotterdam's oil trade, but the Rotterdamers say justifiably that although refuneries may be cutting back they are not closing as in other parts of Western Europe.

Jan Riezenkamp, the young city alderman in charge of port matters and economic affairs, said: "The fall reflects the fact that we are the mirror of the Western economy and that 1979 saw enormous quantities of ore shipped to Rotterdam. We retain the advantages of an economy of scale while the geography has not changed." Rotterdam is the oil and iron ore port for

West Germany and acts as the raw material supply point for large parts of Northwestern Europe.

He added: "We are investing because our policy has been always to foresee the future." The port will lose 10 million to 20 million guilders this year, the first loss for more than a decade, and the trend will continue until oew investments begin giving a return. Rot-terdam thinks that the turnaround will come in the mid-1980s.

There are major investment projects under way. The main entrance channel to Rotterdam is being deepened from 68 feet to 72 feet and later to 75 feet to accommodate the bigger coal and ore tankers of the future. This will cost 100 million to 150 million guilders. The country is switching back to coal rapidly and this will mean more business for Rotterdam as it handles increased imports from Poland, Australia, the United States and elsewhere - tripling to 30 millioo metric tons by the year 2000 - and becomes a center for coal gasification.

Exxon is to open a 2-billioo-guilder pilot plant. Shell, operator in Rotterdam of the world's largest oil refinery, is also going into gasification. The company is poised to upgrade its refinery to produce more of the lighter distillates. BP is investing 600 million guilders or

more in a catalytic cracker.

Rotterdam still thinks big although three decades of continuous growth have given way to a more realistic assessment of the fu-ture. Massive ore tankers from Brazil are welcome in Rotterdam because, as port officials say, transport costs are cheaper for big

The city plans to increase its



The Lijnbaan, a main shopping street in Rotterdam,

current container capacity of 1.3 the Ruhr has been limited by the million a year to between 2 millioo and 3 million toward the end of the century, with feeder lines to Britain, Scandinavia and Italy. The new 400-million-guilder container port at Maasvlakte by the sea will be finished in three years. A new traffic guidance system replacing the current radar posts will mean a further 230-million-guilder investment, although here the government will contribute most to the cost. And more hundreds of millions of guilders will be pumped into remodeling the general cargo

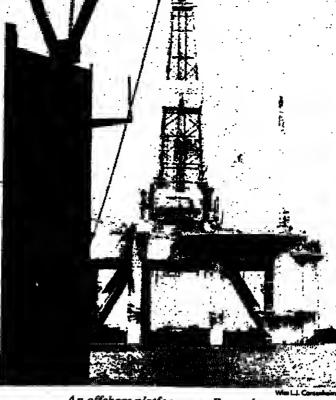
Slowly, Rotterdam will switch from its dependence on oil (Saudi Arabia, Nigeria and Kuwait) to coal, liquefied petroleum gas, con-tainers and various diversified industries. The LPG project in Europoort will help generate electricity and support the chemical industries. However, it has run into gov-ernment safety regulations and the debate about the country's energy

government to four.

Rotterdam is still twice the size of Kobe, Japan, its nearest rival as a world port. It does not conceal the problems it is facing: a sharp drop in population, the drop in tonnage, the need for more urban renewal in addition to the major efforts to date, the necessity to attract more diversified industry.

The World Trade Center is one The World Trade Center is one example of its policy of "depth" and not just loading and onloading. It groups the insurance, grain and shipping exchanges (the latter a colorful meeting place for barge captains) and provides office space for foreign firms. The city council is Socialist but the spirit of fees en is Socialist but the spirit of free enterprise means that the city pro-vides the port's infrastructure but leaves shippers, service companies, banks and others to pursue the job of making the huge port work.

The massive extension of the port toward the sea has been halted for the time being, but the effi-



An offshore platform near Rotterdam.

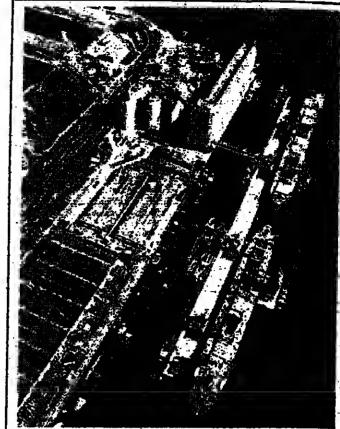
diversity of the port boats unloading 5,000 Japanese cars at a time, specialized shipyards, facilities for repairing 280,000-ton tankers, grain and cereal trans-shipment onstream un-loading, the loading of Man-nesmann steel pipe for Soviet gas

Rotterdam is not only adapting to changed conditions of world trade bot also steadily improving the quality of life for its \$80,000 inner-city inhabitants. High-rise building has been banned and old policy. Likewise, Alderman ciency of Rotterdam as the "mo-housing complexes. Dirty industro propel six barges at a time to proved. A harbor trip reveals the dependent on refining and petroquays transformed into attractive

chemicals, but there are 23 pollution measuring points and the city has power to close down an offending plant if a certain level is reached. At the same time, the city is trying to create more white-col

It is a city of contrasts where pragmatism reigns. The need for a floating maison for sailors is discussed at the same time as an extension of cultural facilities dominated by the concert hall with its celebrated orchestra, the Rotterdam Philharmonic. What one senses in Rotterdam is the abiding spirit that enabled the city to rise from the ashes of wartime destruc-

# The Netherlands



Amsterdam transships grain, derivates and soybeans.

### David vs. Goliath

By David Post

MSTERDAM - Located A less than 40 miles to the North of Rotterdam, the world's largest port by far, the port of Amsterdam is in a Da-vid vs. Goliath position compet-

Unlike the biblical characters, however, it is not a fight to the finish as the Dutch government has adopted a duo-port policy. Amsterdam and the other North Sea. Canal ports — Ymuiden, Velsen and the Zaan — annually handle more than 35 million, tons of international seagoing goods traffic, which places them among the top 30 worldwide. Amsterdam is expected to han-dle just over 20 million tons in 1981.

Amersterdam is a full-service port accessible to vessels drawing up to 45 feet in the 100,000 dwt range. There are plans for a deep water bulk terminal out-side the locks at Ymuiden, which will be able to handle bulk carriers up to 180,000 dwt. Amsterdam, as with many other European ports, is bracing itself

in coal imports to replace oil as a major energy source.

Amsterdam specializes in a oumber of commodities and regions of the world. There are excellent links to Latin America and the Caribbean as well as to West Africa, Scandinavia, In-donesia and the Far East, As a result, specialized cargoes include tropical produce (about 20 percent of the world's cocoa production each year physically passes through Amsterdam) timber and hardwood, as well as grain, iron ore and coal. Crude oil and products are also im-portant imports.

Amsterdam's natural hinterland is well served by road, rail and inland shipping. The Am-sterdam-Rhine Canal, recently re-inaugurated by Qoeeo Beatrix, is the busiest man-made waterway in Europe. Amsterdam is also an important base for cruise ships in the warmer months. The North Sea Canal ports are major operations cen-ters for the North Sea oil and gas winning firms.

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### Nation Is Preparing a Major Export Campaign in the United States

By Alan Tillier

THE HAGUE - Karel Beyen, the sophisticated former banker who was his country's foreign salesman as state secretary for ecomomic affairs, has handed over his job to Wim Dik, a member of the rising center-left political party, D'66, and a former Unilever ex-ecutive. Mr. Dik has oo previous export experience, but he realizes the importance to the Netherlands of exports and is preparing to trav-el the world, like Mr. Beyen, in pursuance of this aim.

The strengthening guilder is oot helping matters, but the six-month figures were encouraging. At 81.9 billion guilders, they were 6-per-cent higher than the 77.4 billion guilders recorded in the same period in 1980. Critics say that this is oot good enough, considering that exports rose 21 percent in the first

half of 1980 from the correspond-ing period in 1979. The balance of payments position is improving because of higher Dutch gas prices and lower imports, but the Netherlands is one of those countries that has to export or die. Other figures show that in the first eight months the value of foreign sales rose 13 percent and that the country can expect a volume increase for the year of 2 percent or 3 percent.

Mr. Dik comes from one of the Netherlands' biggest multinationals and it is true that the country's sales are largely food, refined oil products and chemicals, the products of the multinationals, along with the consumer and electronics goods produced by Philips.

Mr. Dik so far has only had time to visit the Baghdad Fair but will soon be packing his bags for other destinations, notably the United

advantage of the upcoming Dutch-U.S. bicentenniai celebrations and two visits to the United States by Queen Beatrix to mount a major sales drive and so cut the deficit that has been running against them to the tune of several billions of dollars a year.

### Main Exports

The Netherlands, for the moment, sells mainly bulk chemicals, semi-finished goods and fresh foods and flowers to the United States, "We are planning a big export surprise in the U.S. to coincide with the bicentennial," Mr. Dik said. He would not say what, bot it is perhaps significant that the queen will be first paying a state visit to the United States, then a more commercial trip. "The bicentennial fete provides a rare opportunity to raise U.S. interest," Mr. Dik said. The United States is already an

8-billion-gnilder a year client of the Netherlands, although by far the major proportion of exports goes to Western Europe, with West Germany at the top of the list. The United States oevertheless remains on Mr. Dik's priority list of coun-tries to be "attacked." The other targets are Mexico, Canada, Colombia, the members of the Association of Southeast Asian Nations, Hong Kong China, South Korea, Japan, the Arab states, Ni-geria, the Ivory Coast, Venezuela

The new junior minister will be faced with the same problem as his predecessor: persuading medium-size and small firms to export. About 95 per cent of exports currently are in the hands of a rela-

tively small group of 1,100 firms exhibition of Dutch goods that has dominated in turn by the large visited the Middle East and the companies. The idea also is to Far East. The Economics Minisbroaden the horizons of the small exporters, who first look to West Germany and then to the Scandi-

Mr. Dik admits that his job is to "lay out the carpet" when foreign delegations visit the Netherlands and to build government-10-20vernment economic frameworks during his travels. He says that he is a believer in liberal trade and that it is up to the businessman to conclude deals after some help from the government.

### **Export Subsidy**

Groups of three or more companies are now receiving a 40-percent subsidy of their initial export costs. There is government financial help for various trade promo-tion councils and for the floating unr-size and small enterprises.

try's latest trade data and tenders are computerized and relayed to 5.000 points in the Netherlands, Three Dutch vessels have been cruising the Rhine promoting Dutch food and quality goods.

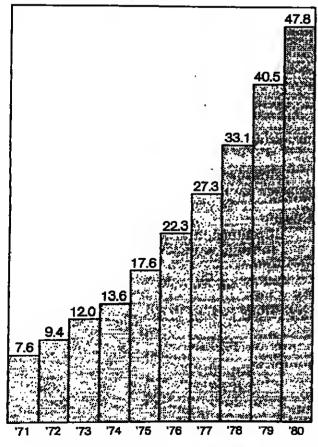
About 50 trade missions have

been traveling in Europe and 10 others in the Far East. These groups are becoming more specialized - an energy and oil team in Manila, a furniture mission in Tokyo, toys to Paris, anti-pollution to Hong Kong. Other teams are selling precisioo equipment, notably X-ray cameras and optical instruments, as well as cattle stables. There has been major backup by the Dutch banks, notably the dynamic Nederlandsche Midden-

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### 'The Concern of the People Living on the Battlefield...

By Mark J. Kurlansky

THE HAGUE — When the Rev. C.B.

Roos declares, "Our synod says it is better red than dead," he is talking about the ruling body of Netherland's largest church whose three million members comprise more than one-fifth of the population. As of 1980, the Dutch Reformed Church, with Rev. Roos as leader, considers not only the use of nuclear weapons to be a sin as they declared in 1962, but even the possession of them.

This church is at the heart of a grass roots movement which has succeeded in paralyzing the Dutch government on de-fense policy. Polls show that more than half of the Dutch population oppose nuclear weapons on Dutch soil

The central force in the growth of the Dutch peace movement has been the IKV (Inter Church Peace Council). Founded in 1966, this group has nine churches as members which represent by IKV figures, about 95 percent of all Dutch church goers, including a great deal of the government and legislature. As a church organization its resember tend to be from anization, its members tend to be from the political center.

This is not to say that all church goers adhere to the principles of the IKV, but it does lend an air of respectability to the organization that more politically based groups, such as the Communist leaning Stop the Neutron Bomb," do not have. Even in the Defense Ministry the IKV

is well spoken of. "I do oot agree with the man disarmament. "We think that is a things they say, but they do try to base their opinion on solid knowledge," said a nuclear expert in the ministry. The ministry maintains open ties with the peace group and frequently responds to IKV requests for briefing on new developments.

Successful Campaign

The IKV has grown dramatically since its 25 part-time workers decided, in 1977, to start a campaign under the slogan, "Help rid the world of nuclear arms, starting with the Netherlands." They are calling for the unilateral disarmament of the Netherlands, whose tactical importance most experts consider minimal, as a gesture to the Soviet Union. The campa caught on and today the IKV has 10,000 active members in 400 local chapters throughout the small nation. The organization is said to be the envy of political

"The map of Europe has to be colored again," said IKV Secretary General Mient Jan Faber. "Not white for NATO or black for Warsaw Pact. But each country with its own color. Each country has to find its own way to detente."

Mr. Faber emphasizes that his is not a pacifist movement. They propose disarmament as "the Dutch contribution to detente." In their close relation with the West German Peace movement, IKV does crazy position for West Germany ... the outer borders of this continent must start the denuclearization."

Rev. Roos simply states, "We accept weapons, but this (nuclear weapons) is demonic and evil because it is threatening the creation. When nuclear weapons are used the whole earth can be destroyed and mankind will disappear."

Member churches do oot all automatically agree with the council or take as strong a stand as the Dutch Reformed Church. The Catholic Church, with the arging of its own internationally organized peace movement Pax Christi, which is very active in the Netherlands, is currently debating how far to go in their antiouclear position. Pax Christi points out that the Vatican, in a 1976 message to the United Nations, has already strongly condemned nuclear weapons.

Risk of War

At the root of the Dutch movement is the belief that the risk of war is mounting and the disarmament process, which has been left in the hands of the superpowers, has produced nothing.

The emphasis is on activism. Although the Netherlands is a small country, the Dutch must somehow act. Pax Christi quotes their retired leader, Bernard Cardinal Alfrink. "This is a real conversion: to realize that we are responsible for this world - we hold it in trust - and this about our survival."

Mr. Faber believes that the new round of U.S.-Soviet disarmament talks is simply an attempt by the Reagan administra-tion to defuse the European peace movements. Dutch government observers think that these talks will be crucial. If they produce a real reduction in arms, the peace movement will be manageable. "Stability would create some change, but reduction would be more belpful," said the Ministry of Defense spokesman, A.J. Sligting.

Sources in the ministry feel that the Reagan administration has greatly aggra-vated the Dutch situation. The White House is seen as agressive in defense policy but unclear and ambivalent about disarmament. Declarations early in Reagan's presidency about the desire for U.S. arms superiority were upsetting in The Hague as was President Reagan's recent declara-tion about the possibility of limited nucle-ar war in Europe. The belief that the United States is prepared to "sacrifice" Europe is wide spread in the peace movement.

Mr. Sligting said of the Dutch peace movement, "It is not neutralism or paci-fism. Those Americans who use those words confuse it with the real concern that people who live in this part of the world feel ... it is the concern of people who are living on the battlefield. Things like the neutron bomb convince people here that they are going to be the victim."

idation of Interfinancial,

year for \$134 million.

American insurer acquired last

Investment groups and real estate developers also have shown an

increasing preference to invest overseas. Robeco, the leading Dutch investment group, had al-most 40 percent of its 4.69 billion

guilder assets in the United States

at the end of March this year, and

12 percent in Japan compared with 18.3 percent in the Netherlands.

The property group Wereldhave, last year, reduced the Dutch share

of its portfolio to 45 percent,

alongside increased investments in the United States, which oow ac-

count for a further 20 percent of

The rise in Dutch investment abroad has been paralled by a de-

cline in foreign investment in the

Netherlands, The Amsterdam in-

vestment bank of Pierson, Heldr-

ing and Pierson, said that direct foreign investment by Dutch com-

panies and individuals increased

between 1971 and 1980 on a five

year moving average from 1.6 bil-lion guilders to 4 billion guilders

while foreign investment in Hol-land hardly budged in the period from 1.5 billion guilders to 1.6 bil-

lion guilders. The Netherlands has

# Page 118 Frisians Struggle to Keep Identity

By Jules B. Farber

EEUWARDEN - lo Ee, a small village in the Netherlands northeastern province of Friesland, the weekend house of Hans Wiegel, then vice premier and minister of domestic affairs, was smeared with paint. The ra-vage was signed In Fryske Aksjeploech, Frisian Action

The protesters were pushing for wider use of the Frisian language in government documents. Elsewhere in Friesland, road signs have undergone name changes from Dutch into Frisian, Activists also replaced Dutch dialing instructions with Frisian manuals in telephone booths.

These incidents typify the con-tinuing struggle of the Frisians to achieve greater cultural autonomy - but not separation from the Netherlands. A once-radical Frisian Nationalist Party, which began in World War I, now lobbies mostly for greater Frisian identity and

Residents of Friesland - once a great nation that stretched from Bruges in today's Belgium to Bremen in what is now West Germany — call themselves Frisians and the rest of their countrymen Hollanders. Their self-imposed separation goes back to early times on these then-desolate salt marches. Relying on their marshlands as protective barriers, the early Frisians repulsed invaders through the centuries.

They moved immense amounts of earth, estimated at 100 million cubic yards, in building refuge mounds — more than the stone used in constructing the pyramids of Cheops (3½ million cubic yards) and Chepren (3 million cubic yards). The Romans tried to conquer them and failed, ending up with a face-saving trade treaty. That was around 50 B.C., when the legionnaires found the Frisians living high on their terps, earthen mounds that were the first form of dikes. Their fierceness prompted the Roman historian Tacitus to say, "Their oame resounded among the German tribes!" As early as five centuries B.C., they were building these terps everywhere in their region, some as high as 30 feet above sea level and stretching over 40 acres. These

as menacing marauders. History recorded the bttle Frisian Republic's bravery during the Middle Ages. They defended their freedom, although they were not warriors, Pope Pius II, in his 15thcentury "Cosmographia," wrote about this people "different in many ways from Germanic tribes, tall of stature, stout-hearted and pugnacious, freedom-loving yet inwarlike and averse to military display, and possessing a great love of justice." Neither the Federation of the Northern Netherlands Provinces under the Union of

kept out threatening water as well

tion of the kingdom of the Nether-lands in 1815 changed the Frisians' attitude or character. They maintained their freedom to stay apart and be different from other Dutch-

Two hundred years ago oext February, the Parliament of Friesland demonstrated its sympathy support for the fledgling American republic and voted to recognize the independence of the United States. This was the first step in a process that led to the accreditation of John Adams as the first American envoy to the Netherlands on April 19, 1782. This act is commemorated on a plaque in Leeuwarden's provincial

capital building. Uotil 1932, Friesland was also physically apart from Holland — but then the 22-mile long, 330-foot wide, \$80-million Afsluitdijk (Enclosing Dike) linked the province of North Holland with Friesland. The salty, wild Zuider Zee was changed into a calm, sweet lake, the lisselmeer.

An elderly man, recalling this traumatic land tie, said that he and his fellow Frisians vowed: "We shall remain free."

'Scotland of Holland'

Another resident said: "Fries-land is the Scotland of Holland. We're fiercely proud of having a separate history, language and traditions. We've always been independent. In the Middle Ages a Frisian was called a Friso or Frisius. Why should it be different today? We've never lost our national identity."

This persistence has begun to pay off. This year, the teaching of the Prisian language became obli-gatory in all of the province's 600 elementary schools. The central government bowed to pressures and now uses Frisian in the parliament and courts. Road signs appear in both languages. Broadcasting in Frisian has increased. The nationalists' demands are being beeded also among the locals who more than ever are using Frisian as their written and spoken language.

Frisian oewspapers are flourishing. Books, music and literature appear in the local language. The isian flag is flown, the Frisian national anthem sung more fre-quently. Frisian passports, pur-portedly just for fun, are issued at "frontier posts" to foreigners - all non-Frisians, including Dutchmen. These passports reflect patriotic pride, provide a few quick lessons in Frisian, and promote local products and tourist attractions. This Paspoart Foar Fryslan has a translated explanation in English, French, German, Russian and Chinese. It is signed with a seal of the queen's commissioner for Friesland and also permits entry into the province's "overseas territorics' - the West Prisian Islands strung along the coast in the Wadden Zee. (There are also Frisians living in areas of northern West

province). Once over the border into this

fantastic province, more than half of which is below sea level, you discover the rich farmlands with the famed Frisian black and white heifers, a breed apart that is exported all over the world. Hollanders joke that there are 1 million Frisians, of which half are cows. A statue of a hefty cow called Us Mem (Frisian for "Our Mother") stands on a Leeuwarden square. The rich gentlemen farmers, with the country's largest agricultural plots, live comfortably io farmhouses with barns under one roof called kop-hals-romp (headneck-body) — sturdy symbols in this waterland of the wealth earned from the earth. Besides stock breeding, dairy production is important, with cheese the leading product. On top of the tiled farmhouse roofs, there are symbolic wheels depicting the sun, or a harp between swans' necks — both presumbably with roots in early Viking times.

Water plays a key role in Friesland's recreation. There are 13 large and 17 small lakes covering a intal area of 25,000 acres, plus hundreds of canals and other navigable waters, and 240 miles of shoreline — making this the Cootinent's greatest water sports center. What the Swiss slopes are to skiers, Friesland is to sailors. In the winter, when the 120 milles of canals linking 11 Frisian towns freeze solidly enough, there is an ice skating endurance race called the Elfstede that takes oo the importance of a Grand Prix or Tour

Among Friesland's touristic curiosities are the Wieuwerd church with its petrified priestly mummies, and one man's remarkable 18th-century planetarium built in his Francker house. Since Napoleon had to sleep somewhere in Friesland while inspecting his troops, there is a water hotel, "de Oude Schouw," between Akkrum and Irnsum, which makes this claim. The restored room, with its tiny bed built into the wall behind draperies, is now popular with honeymoocers. And for New Yorkers searching for roots there is the restored Zwartenkijkster or Eener Fort oear Appelscha. This served as Stuyvesant's model for the walled bastion be built to protect the Nieuw Amsterdam settlement. New York's Wall Street recalls that site.

Visitors will find that Frisian is not a Dutch dialect but has Germanic roots and sometimes comes close to English. Dream is dream, flesh is flesk, goose is goes, green is grien, meal is miel, moon is moanne, sheep is skiep, thin is tin and yarn is jern. Complicated contractions become somewhat more comprehensible if you listen to the Frisian phonetics. "Hy sel, Hy woe net" means "He said he would not." "Ik Haw him siningen heard" is "f have heard him singing."

### No End Is Seen Soon to International Spending Spree

By Bruce Barnard

MSTERDAM - The Dutch A foreign spending spree shows no sign of running out of steam as companies and individuals continue to pour billions of dollars each year into industry and property abroad, particularly in the United

The extent of this spending became evident in 1979, when U.S. Department of Commerce figures on direct foreign investment in the United States showed the Netherlands in first place that year with \$4.7 million invested, Dutch direct investment in the United States has risen from 11 percent of the total in 1971 to 24 percent last

The most spectacular deal so far was the \$3.5 billion purchase of Belridge Oil by Royal/Dutch Shell's American subsidiary, Shell Oil. The Dutch/British multinational Unilever acquired National Starch and Chemical for \$485 million, the electronics giant Philips boosted its U.S. interests with a \$135 million takeover of Magnavox, and Ahold, the retail and trading group, acquired the Bi-Lo chain store firm of Georgia for around \$70 million.

Dutch insurance companies have been busy buying up medium-sized American insurers at a cost of over \$800 million since 1978. Less-publicized purchases by investment funds and wealthy per-

Corporate profitability has been declining sharply in recent years as wages take a larger slice of gross domestic product, the rate of increase in productivity has slowed down and the tax and social security burden has been getting heavier

Businessmen complain that the Netherlands no longer offers incentives to private enterprise and they regard the United States as

the last free market bastion. Dutch investments in the United States have been aided by the strength of the guilder against the dollar for most of the 1970s. The hardening of the U.S. currency in the last year, however, does not appear to have dampened their enthusiasm for American invest-

Dutch companies also have been forced to go overseas for expansion because they have outgrown the saturated domestic market, Unable to boost sales or improve market shares at home, Holland's leading retail firms have switched their attention abroad, with the United States again topping their

spending list.
Ahold is following up its purchase of Bi-Lo with the acquisition of Giant Food Stores of Pennsyl-

abroad to over \$10 billion in the vania. Vroom en Dressman announced earlier this year its inten-Dutch companies are spending tion to take a 50 percent stake in more of their profits abroad large-ly as a result of adverse develop-Grace alongside the shares it alments in the domestic economy. ready holds in four other American retail groups. Bijenkorf Beheer, last year, bought Mack Stores of Stanford, North Carolina, for \$15 million.

Foreign acquisitions have paid quick dividends. Turnover at Bi-Lo and Ahold's Spanish supermarket chain, Cadadia, rose 37 percent in the first six months of 1981,

while Dutch sales grew only 11 guilders in the year earlier period percent. Ahold's foreign sales rose was largely the result of the consolpercent last year, almost three times as fast as domestic sales and accounted for 23 percent of Ahold's total turnover. Nationale-Nederlanden, Hol-

land's largest insurance company, said that the international contribution to its earnings rose to 50 percent last year from 45 percent in 1979. The Amey insurance group reported that the sharp rise in first half 1981 earnings to 79.1 million guilders from 54.4 million



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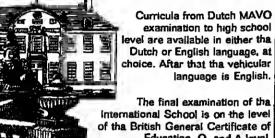
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### Development Programs Push Ahead

By David Post

A MSTERDAM — Under terms of the European Economic Community accord, regional development schemes and authorities will be phased out in the coming years. But such authorities throughout the Common Market are going all out to attract indus-tries and jobs into their regions. with varying degrees of success.

Sharp structural and sectoral unemployment problems exist in the Netherlands, particularly in the northern provinces of Groningen, Drenthe, Overijssel and to a lesser degree Friesland, as well as in the southernmost province. Limburg, Each of these two areas has its own government-funded development company. The Development Co. for the Northern Netherlands (or the NOM by its Dutchlanguage intials) and the Limburg Institute for Development and Fi-nancing (LIOF) are charged with improving the socioecocomic structure of the regions.

Simply translated, this means keeping existing jobs and attempting to lure new firms to the area to create jobs. Aside from its good geographical position at the heart of the Common Market and its excellent road, rail, inland waterway and air connections, the Nether-lands has an excellent work force.

Dutch workers have the highest productivity record after Japan and West Germany, most speak English and German as well as Dutch, and there are very good training programs.

Moreover, strikes are virtually unheard of. On the other side of the coin, Dutch wages and fringe benefits are very high. The average hourly wage including fringes is es-timated at \$9.15, against \$11.09 in Sweden, \$9.19 in West Germany. \$7.56 in France, \$11 in the United States and \$6.04 in Japan.

Reasons for Expansion

The head of a U.S. oil firm in the Netherlands recently said, however, that the reasons his firm was expanding were "the high la-bor productivity, a good fiscal cli-mate, fair and flexible banking reg-ulations, and a good dialogue with

LIOF and the NOM make this dialogue with the government even easier, although their approaches are different. LIOF was started in 1967 with the closing of the coal mines in Limburg. At the peak of operations, the mines employed 60,000 people, or 20 percent of the local working population. Even then, Limburg relied heav-

ily on ooe industry and many former miners were retrained to work at DSM's petrochemical plants,

which had been gearing up for the change since the 1930s. The late 1960s and early 1970s were boom years for the petrochemical industry, but the oil crisis put a halt to that Again, Limburg's economy was based too much on a single in-

LIOF attempted to attract other types of industry, but its early track record was somewhat marred Paul Walenburg of LIOF said: "At first we went all out just to get oew companies creating new jobs without really bothering to look at their balance sheets. We are more serious now.

As with the NOM LIOF actively tries to acquire new firms, particularly in the high technology sector. LIOF has a man in Atlanta looking for likely firms. The NOM has similar people in the United States, Scandinavia, Japan and England. Both companies support innovation and are able to provide capital for promising ventures. However, LIOF is closely tied to the regional and national governments, while the NOM acts more freely since it is a limited liability company whose shares are in the hands of the Ministry of Economic Affairs. The NOM is responsible only to its own directors, and the government has no say in its oper-

heads the NOM, said: "We are in business to attract firms to our territory and help them make a profit. The NOM is unique in that we offer venture capital. So far we have placed 300 million guilders and we have 200 million guilders more readily available for the right firms. Economic stimulus is also provided by the NOM's taking participations in companies where financial aid is needed, It openly supports innovation by helping people and companies with new products, new marketing methods or finance. The NOM often acts as a sort of company doctor by supplying better management or by finding two groups whose interests

are complementary,"
The NOM approach is a positive one. (It is felt that governmental agencies such as LIOF often grant credits to new industry when banks have refused a loan. Thereby, weaker firms are attracted). By participating in a new venture (the NOM has only nominal control of the board, and companies are free to buy back the NOM's equity at predetermined terms), entrepreneurs are encouraged.
At present, the NOM has parti-

cipations in 28 firms and is considering about 15 others. In 1980, the NOM created or maintained 5,700 jobs. Two new industries were lured to the region, while five new

## The Netherlands

participations were added. The new industries were a magnesium; oxide project in East Groningen and a catalyst plant in the Port of Delfzijl, which is already undergoing expansion.

Management Services In addition, a complex for new

small firms has been set up in Groningen. Production space as well as centralized services such as a telephone switchboard, bookkeeping and the like are available. The NOM also has a bureau for temporary management services, another boon to new firms. The NOM can also call upon technical experts and has available about 25 such scientific people drawn large-ly from Dutch universities, including a metals expert, electronics people and its own patent attor-

The NOM is actively trying to attract new products and processes for local industries largely from United States and Japan. Know-how and licenses are also

sought. One example is the case of an inventor who came to the NOM with a new idea on the manufacture of insulation materials. The NOM took this inventor and his idea through the entire research and development process, and the calcium silicate plant is now on stream. Total costs are put at about 8 million guilders, of which the NOM has a 75-percent share.

Despite these developments. short-term prospects for new in-dustry in the north are bleak. But Mr. Wisman is optimistic about medium-term prospects. Severa large projects are in the pipeline. In Limburg, however, DSM still faces problems as about 80 percent of its worldwide product and of its 30,000 employers are located there. Yolvo Cars, another major employer, also has problems. Mean-while, LIOF continues to my to attract new industry, and both firms will do so until EEC legislation eliminating this activity is made ready, probably not for another 10

### Windmill-and-Dike Plan Debated

AMSTERDAM — The Dutch government is debatiog whether to combine two of the country's oldest traditions - dikes and windmills — in a revolution-ary multibillioo-dollar energy

project.
The Lievense Plan envisions a buge "energy reservoir" within a dike rising 30 meters in a lake northeast of Amsterdam. Modern windmills would provide power for turbines to fill the reservoir. Then, when demand is greatest, the water stored in the reservoir would be released through the reversible turbines to generate electric power.

The beauty of the concept is that the energy produced by the wind could be "stored" in the towering reservoir, which ultimately might cover 165 square kilometers. That would answer critics of wind power who say that they still want to watch television when the wind is oot blowing.

Plan Endorsed

The plan is named after Lukas W. Lievense, a private engineering consultant who presented the concept to the Dutch government in 1979. Mr. Lievense, who has experience on some of the Netherlands' largest water projects, said that his plan would reduce reliance on oil and gas while developing a radical new technology that Dutch industry could export elsewhere.

Science Policy in May with a ring-ing endorsement of the plan, say-ing that it should be carried out as ing that it should be carried out as soon as possible. Comparing the price tag of \$3.2 billion to \$5 billion with the potential energy savings, the advisory group said that the plan could show a profit of cearly \$400 million by the year

Not everyone is happy with the idea. Opponents say that the pro-posed site should be left as a wild-life habitat, and warn that the giant windmills would bear no resemblance to the picturesque wooden four-biaders in the countryside. Others question whether the electricity demand will grow enough to justify such a large un-

dertaking.
Mr. Lievense responds that the alternative to such projects is con-tinued reliance on nuclear power and fossil fuels. He said that many environmental concerns, such as interruption of bird migration patterns, could be resolved by careful planning in locating the wind tur-

The Ministry of Economic Affairs is preparing a position paper, to be offered to parliament early next year. An official who asked not to be identified predicted that the government would recommend a green light, but probably for a scaled-down (and less expensive) version.

The Dutch are perhaps the world's most skilled water engi-An advisory committee ended a world's most skilled water engi-yearlong study for the Ministry of neers, with 60 percent of the popu-

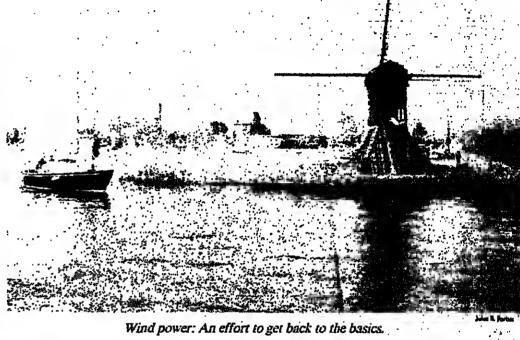
barriers against the North Sea. The nearly completed delta works in the southwest have shortened the Dutch coastline by hundreds of kilometers. By building the 20-mile-long Afshuidijk (Enclosing Dike), the Dutch turned the former Zuider Zee into a lake now called the

It is within that lake that Mr. Lievense's project would be built. Current plans for diking and draining the Markermeer section for residential and commercial development would be abandoned, and the "energy polder" built there instead.

The committee suggested that the government begin with a 55square-kilometer reservoir inside a 30-kilometer-long dike, with two hydroelectric turbine stations producing 800 megawatts each of elec-tric power. If construction began in 1985, the first station could begin producing power by 1990, the second by 1995.

The final phase, if justified, would call for a 110-square-kiloureter addition to the reservoir within a 55-kilometer dike, with another power station bringing total electricity output to 2,400 megawatts by the year 2000.

The reversible hydroturbines make the concept economically feasible, Mr. Lievense said, be-cause the same units can both fill the reservoir to the maximum level 23 feet above sea level, and gen-



erate electricity at the throw of a switch. full, the windmill-generated power could be fed directly into the elec-

Chisters of Turbines

Ultimately, about 1,050 wind turbines, providing a total of 3,000 megawatts of power, are proposed for filling the reservoir. The 80-meter-high wind turbines would be built in clusters in industrial areas of the windy western part of the country. If the energy polder was

Your future is in the

tricity grid, supplementing the nations's power from conventional plants. If the wind was not blowing and the polder level was low, conventional power could be used at night when demand, and therefore cost, was lowest.

The study panel estimated that

million tons of oil a year, a savings of 1 billion to 2 billion guilders annually if fuel prices rose 2 percent to 4 percent a year. That would mean electric utilities could import 8 percent less fuel. In addition. construction would provide 71,500 man-years of work and 1,650-fulltime jobs when finished, at a time the completed project could cut of worsening unemployment, the Dutch fuel import needs by 1.5 committee said.

lking sou

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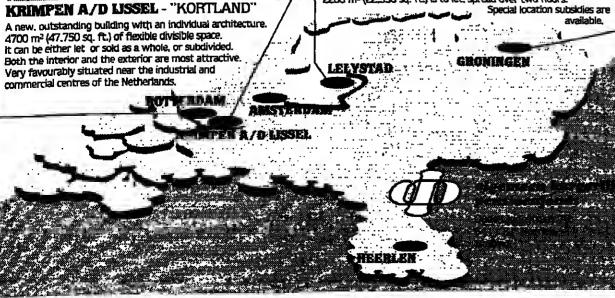


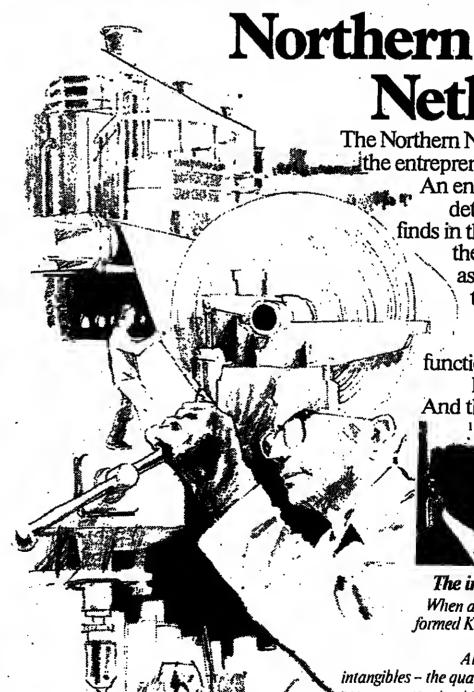
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### Schiphol Keeping Busy

A MSTERDAM — The Schiphol Air and Au-thority has a slogan: "Save Time and Tem-per, Use Amsterdam Airport Schiphol." Amster-dam's international airport is a one-time and oper-ation that may well be the most content in

With about 10 million passengers and 318,000 tons of air cargo, Schiphol is Europe's parth largest in cargo and sixth in passengers. Appresent, 59 scheduled airlines have services to 17 airports in 80 countries wordlwide, KLM is by for Schiphol's largest user, but the airport authorites have a political to seast all countries.

icy to treat all carriers equally.
Interestingly, Air UK, a feeder life from several British airports, is the second largist user of the airport in terms of landings and lake-offs. For several years, Schiphol has been attempting to lure British travellers, living outside the London area, to make inter-continental and even European flights via Schiphol rather that Heathrow or

This campaign has paid off as now fully 25 per-cent of the eight million scheduled passengers (the remaining 2 million travel on charter flights) are merely changing planes at Schiphol. A high percentage of these passengers come from the Great Britain, Scandinavia, Northern Germany, France and Belgium and take long-haul flights via Schi-

The tax-free shops are another major drawing card. There are 42 shops with 55,000 items ranging from electronic equipment to high fashion, Liquor and tobacco are less expensive at Schiphol than any other European airport and there are true bargains in photographic and electronic equipment.

The new rail-link to Amsterdam-South and the RAI Exhibition and Congress Center, as well as to Leiden, The Hague, Rotterdam and points south, is very convenient. Connections to Amster-dam's Central Station will be ready in 1986. Schiphol's convenience is underlined by the fact that it is consistently voted practically everyone's favorite airport in surveys.

Taking source to supply, there's about 1 billion guilders worth of RSV energy technology.



### Increase in Production of Natural Gas Is Topic of Debate

By Alan Tillier

THE HAGUE - Natural gas production from offshore and onshore fields was down slightly in the first half of this year (47.3 billion cubic meters against 49.8 billion cubic meters last year), but the big question remains whether Dutch gas production should be increased in benefit from higher world prices and therefore belp pay for the Netherlands' unemployment and social security plans or eveo industrial restructuration.

Today, as in the last 20 years, the entire Dutch economic picture is a reflection of this issue - gas supplies, pricing and whether out-put should be more or less destined for home or foreign con-

sumption.

Broadly speaking the Dutch contracted in sell large quantities of natural gas to the rest of Western Europe before the oil price shocks. Later, they tried to balance cheap, fixed price long-term exports with a policy of gas imports. The idea was to conserve quanti-ties of their own gas in the Narth Sea, partly to extend the supply limit beyond the year 2,000, partly to be a Western European energy reserve. Two problems have arisen. The would-be foreign suppliers — Algeria, the Soviet Union and Nigeria — are arguing over unit prices and other long term supply

The right wing of Dutch polities wants to keep the gas in the soil for as long as possible. Logically, it is the sensible course. But the po-litical crisis and rising unemplay-ment have strengthend the hand of those who say: "Pump more gas and we have the money for jobs and recovery." It is a tempting siren call, although reserves are thought to be good for only 10 to

### New Oil Reserves

Another view enters into the discussion. Geologists, on Dutch tele-vision, say reserves are much big-ger than either government or companies admit. Professor Peter Odell, a British economie geographer at Rotterdam's Erasmus University, said the same. He predicted at the time of the first oil crisis that there was plenty of oil and gas beneath the North Sea and that the major Western nations did not have to be dependent upon the Middle Eastern producers and the oil companies. There are rumours of five big new fields.

True or not, the currently estimated 2,000 billion cubic meters of reserves are destined balf and half between home consumption and exports to Western Europe. Now the Dutch are poised to extract two billion extra cubic meters a year to provide 750 million guilders a year to the job plan. It is a gambler's throw - spend more now in the hope that more fields will be found.

Until now, the Dutch energy plan was to import gas from four major sources — Algeria, the Soviet Union, Nigeria and Norway. One deal with Norway works to the tune of 2.5 hillion cubic meters a year through the existing North Sea pipeline. However, the Soviet Union's deliveries to West Europe are held up by political and financial considerations. The U.S. is seeking to persuade European na-tions that it would be strategically wrong to depend upon Soviet gas. The banks are worned about financing. And the Dutch are wondering whether they will get any orders for pipe or know-how if

they do agree to this Soviet-West European gas connection. Trade unioos are calling for ex-

tra gas worth 1.5 billion guilders a year. In their view, this supplementary production would continue for three to four years and help stimulate growth. Already, gas contributes around 18 percent of budget revenues. The argument about gas - es-

sentially an argument about how much gas should be used by industry - has been complicated by the dispute over nuclear power. The environmental furor over govern-ment plans to build three more plants with a capacity of 3,000 megawatts has led to the establishment of a committee of wise men who will report in six months time.

at Borsele, which supplies power notably to a Pechiney aluminium factory, would cost hundreds of million of guilders to close, in the opinion of one Government official. There is a smaller test reactor that could be closed for less cost. Meanwhile, a two-year public debate is under way on nuclear power, a delay that is not consistent with that of the experts who will report on technical and financial

aspects by next April. The government, like others, is increasingly going back to coal. W.H.J. Tieleman, Dutch energy director, argues that the Netherlands has an important strategic role as far as gas is concerned. The role could later be assumed by Norway. Dutch policy has been to keep the price of its own gas under that of other sellers.

Yet the target for coal is 23 percent of total energy requirements at the end of the century. Most will be for power stations, and all new stations will be based upon coal. And the government is encouraging the oil majors to produce coal gas. The Dutch are increasing their coal imports and will use their geographical situation to import and

### Divisions Are Deep on Government Spending

(Continued from Page 75)

other Dutch major, the view is that the 6.5-percent budget deficit should be reduced to 4 percent and that gross national product growth oext year is likely to be between I percent and 1.5 percent rather than the 3 percent predicted by the Organization for Economic Coop-

eration and Development.

The budget deficit this year is estimated at between 24 billion and 27 billion guilders, but it is hoped that this will fall next year to the range of 21 billion to 22 billion guilders, or 6.5 percent of national income. When Mr. Den Uyl asked for his money for the crash employment program, there proved to be a gap of \$600 million between his request and what was available even after squeezing here and there. In addition, much of the "pledged" funds were connected with problematical future fundraising such as taxing gas compa-nies. In effect, the money was there only on paper, and the three-

party coalition split. The banking side seems healthi-er. ABN, the Dutch bank with the widest foreign network, posted a very handsome 25-percent profit

increase in the first half of this year (196 million guilders as op-posed to 157 million guilders in the same period last year) hecause of the strong dollar. The balance sheet rose 12.7 percent to 122.5 billion guilders, and year-end profit is expected to be well above last year's figure of 309 million guilders. Amro profits in the first half were 7.6-percent higher (154 million guilders against 143 million guilders). NMB dipped 9.2 percent after a long period of profit in-creases, but the bank increased its balance sheet, lent more abroad and built up its foreign network notably in Singapore and the rest of the Far East.

Rabobank, the Dutch agricultural cooperative bank, had a slight 0.6-percent increase in net earnings in 173 million guilders during the first half, but its balance sheet rose 10 percent to 107.5 billion guilders, the same rate of growth as last year. Foreign husiness grew as a percentage of the total to 12 percent, against only 10 percent in the first half of 1980. However, credits to the private sector grew slowly because of the

All the big Dutch banks are con-tinuing their foreign expansion. ABN's Miami branch was further evidence of its commitment to the North American continent while on the other side of the world ABN is now listed on the Singapore exchange. In addition, the bank has opened a department for multinational accounts. "Our aim is real cash management in the U.S. way on a global scale. We are also bringing in more industry specialists for energy, aircraft financing and other sectors," a bank offi-

Over at Amro, Mr. Oosthuizen detailed his expansion program: a full branch on Park Avenue in New York, permission for a representative office in Mexico City, a merchant hank tie-up in Australia, Amro International Ltd. in London, a majority interest in Han-dels-und Privatbank of Cologne, a bank that is strong where Dutch food and flower exporters are

The bank is also opening in New Delhi and Colombo, Sri Lanka, setting up a new branch in Hong Kong and consolidating its Swiss banking interests. Amro also is happy with its profit return from EBIC, the consortium of European banks with major outlets in New York and the Far East. Result: 22 percent of profits come from

Foreign banks - U.S., French, Japanese and others - now total 44 in Amsterdam and Rotterdam, and have loaned 6 billion guilders on the domestic market, according to Stephen D. Balsamo, vice president of Continental Illinois. He thinks that the long period of cred-it restriction hit foreign banks rather than Dutch banks. The likely reintroduction of the squeeze does not please foreign bankers, but banks like Continental and France's BNP find that Amsterdam is not too restrictive overall and that the global relationship with the Dutch multinationals is a very important one.

BNP finds its worldwide network a major advantage in dealing with the needs of Dutch corporauons. There are also highly favorable tax treaties between the Netherlands and foreign countries that encourage hanks to book business through Amsterdam.



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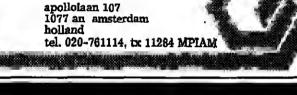
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### Amsterdam Built on a Base of Tolerance

By Mark J. Kurlansky A MSTERDAM — "I never imagined being the mayor of 14,000 Turks and 12,000 Moroccans," said Amsterdam's Burgo-master Wim Polak. He is also the mayor of Spaniards, Italians and Indonesians as well as 33,000 Surinamese that have poured in since the former colony of Dutch Guiana gained independence. Of the 717,000 inhabitants of this capital

city, about 100,000 were not born in the Netherlands. Amsterdam has always had an international flavor brought about by a reputation for tolerance. It was a refuge for Portugese and Spanish Jews, French protestants and Central European Jews. Each group has added a different di-

mension to the life of the city. The city has absorbed them all without too many problems," said the Mr. Polak, a member of the Labor Party, who is now in his fourth year of a six year appointed term. But he admits that there are difficult periods during the process of social change. This is one of those periods.

Amsterdam prides itself on being "free and open." Its world famous red light district is thought of as a tourist attraction. People look the other way as light drugs are sold on the street. The traffic



in hard drugs has become a major problem and the public expenditure for an extensive network of rehabilitation programs cannot keep up with it. But of late, people have started speaking of "too much tol-The progressive population that has given Amsterdam the reputation in the Netherlands of being "a red city," is beginning to fear that things are out of control.

The Surinamese are finding it difficult in find their place in this city which has little housing or jobs for these late arrivals from a very different culture. An impoverished ghetto of crowded firetrap The crime born of this poverty is

also testing the celebrated Amsterdam tolerance.

One of the greatest aggravants of Amsterdam's social problems is the fact that the 700-year-old city. which has grown through canal digging and reclaimed sea land, is running out of space. Two so-called polders have already been filled in to form suburbs and industrial parks. Some planners have contemplated filling in the dammed off inland harbor that is called the Markerward. Mr. Polak said the city council no longer favors this idea since the water is valued as a recreation area.

The space problem, combined with tremendous demographic shifts, has created a leviathan housing crisis. There are about 140,000 less inhabitants in Amsterdam today than in 1968. The population drops an average of 10,000 people each year, but it is a cross migration. Every year 40,000 peo-ple leave and 30,000 enter.

Families seeking more space and larger houses are moving out. Youth, students and ethnic minorities are moving in. The elderly remain. There is an abnormally high number of octogenarians. Regis-tered students make up 19 percent of the population. So while the population is dropping so is the number of people per household.

The 80,000 dwellings that have been built in Amsterdam, since the end of World War II, cannot keep up with the demand for low-income housing. The Dienst Herhuisvesting (department for housing relocation) tries to find cheap partially subsidized housing for those deemed in urgent need. They currently have \$3,000 people

The krooken, or squatters, have emerged as a major fact of local political life. Squatting in an unoccupied building is not a criminal offense. Owners must obtain an

order from a civil court to remove them. If the squatters then refuse to vacate, it becomes a police problem. Although the squatters claim to have no organization, they can assemble, by telephone, a crowd of thousands of youths within hours of an attempted police eviction. The confrontations are now regular and frequently vi-

While the Burgomaster claims the squatters are loosing the popular support they have enjoyed until recently, this is not the impression from observing the citizenry while the youth march by torchlight, police watching from a distance and in the dark night sky.

### FOCIS The Netherlands

Most squatters say they can not afford to rent an apartment and will not try until the city makes affordable apartments, available The city and the national gov

the city and the national government are engaged in a program that they hope will produce 5.40 additional dwellings by 1983. More dwellings are needed and the last of the development space is being used, leaving only the center city for added housing. Amster-dam is anxious to preserve its historic character and create housing through renewal projects. This is slow as it requires relocation during restoration and yields less units for the space. It is likely that a certain amount of demolition and re-

construction will take place. The compactness of space that causes so many problems is an advantage for tourists who can walk to most points of inferest. The city is giving priority to improving public transportation and to bicycles for which they are planning to reserve special lanes and even en-tire streets. According to Mr. Po-

recognizes that Amsterdam will never be a good city for the auto-mobile.

Like the population, the con-nomic life of Amsterdam has been monic ure of Amsterdam has occa undergoing a radical transforma-tion. Industry has been moving our and banking and finance have been moving in. Ten years ago. there were only four foreign banks in the country. Now there are 37 of which 32 are headquartered in

The Amsterdam Stock Ex change, the world's oldest fists 268 foreign companies and 192 Dutch companies. It is hoped that by the end of this year, the European Option Exchange will handle as many as 5,000 contracts per day — five times the original 1978 volume.

With 40 museums and 7,000 registered monuments, Amsterdam the fourth most visited tourist city in Europe. The 3.7 million bed nights per year in Amsterdam hotels make tourism a major factor in the local economy. Tourism represents a turnover of about \$24 million aroundly.

### The Hague Has Developed Into an International City Par Exellence

By Judith Burtt

THE HAGUE - Since Queen Beatrix acceded to the throne in 1980 and renewed tradition by moving back to the city's palaces vacated during the 32-year reign of her mother, Juliana, The Hague again finds itself a royal residence, a role that comes easily to a city that for centuries has been the home of diplomats, aristocrats, courtiers and civil servants.

The stately 18th-century man-sions of the Lange Voorhout, the city's quiet tree-lined squares and abundant parks, such as the Haagse Bos (Hague Woods), once a favorite hunting ground of the counts of Holland, attest to its aristocratic past. It has been called the "green city" because of its expansive parks and gardens, and its unhustled pace still recalls an earli-

In fact, Hagenaars appear fond of their slower lifestyle and like to remind visitors that the city for most of its existence was officially only a "village." It was awarded municipal rights in 1811 so that Napoleon, who was passing through, would spend the night in a city and not a village. But when French domination ended in 1813, those rights were immediately re-voked. Under a 1851 municipal law, however, the distinction between towns and cities was canceled and legally only municipali-ties are now recognized in the

Although it is not the capital of the Netherlands — that role is reserved in its larger and perhaps more vigorous neighbor, Amsterdam — The Hague is the seat of national government and an inter-national city par excellence. Gov-ernment is its chief business. Approximately one-third of the work force in the greater Hagne area — or 80,000 workers — is employed by the government, either on the national, provincial or local level. Added to this are 65 embassies and more than 70 international organizations located in the city, including the International Court of Justice and the Institut International des Brevets, and their re-spective administrative structures. The Hague ranks sixth in Europe

in the number of international or-

A thriving petrochemical com-plex has built up around multina-tional oil firms, like Shell, Esso, Chevron and Aramco, which have their European or national head offices here, bringing in their trail engineering consultants in the re-fining and offshore oil industries. Many building and real estate development companies as well as insurance and auditing firms also have their headquarters here. And as a center of patent and trade

rious candidate, competing against London and Strasbourg, for the establishment of the European

Trade Mark Bureau As a result, The Hagne has a high proportion of foreign residents — 10 percent — and a continual transient population of foreigners on business or on holiday. There are six international schools and numerous ethnic restaurants. The city's average income is among the highest in the Nether-

It also has a large Surinamese population and a sizable commumity of foreign workers from Southern Europe. There are about 25,000 to 30,000 Surinamese in The Hague and about 15,000 migrant workers, the majority of whom are Turks and Moroccans. ganizations located within its jurisdiction despite its relatively small size — it has a population of 458,000. They were drawn by the labor shortage and prosperous economy in the Netherlands in 1960, and for the Surinamese, the majority of whom arrived before that former Dutch colony became independent in 1975 and therefore enjoy citizen rights, by the Dutch state's gener-ous welfare policies. Only 3,000 to 5,000 Surinamese have settled in The Hagne since 1975, according to Johan L Chandoe, the first Surinamese elected to the city council and unofficial spokesman for the city's minorities. Altogether, he said, about 180,000 Surinamese

live in the Netherlands.

The Surinamese are divided into

four racial groups — black, or Cre-ole; Hindustani, or Indiana Chi-nese and Indonesian. Eighty per-cent of the Surinamese in The Chandoe; the rest are either Creole or Indonesian. Amsterdam and Rotterdam, he said, have a high

proportion of Creoles. **Unskilled Jobs** 

Since the majority of Surinamese and migrant workers have little vocational training most work in low-paying unskilled jobs and live in the city's poorer dis-tricts and in the surrounding towns. Mr. Chandoe said that schools and housing have not been equipped to deal with this influx. The children of non-Dutch-speaking families, he observed, are parlarly handicapped in school, and he added that in some schools in the city 80 percent of the pupils are foreign since the Dutch put their children in other schools.

"It will take years and years to get a real integration of minds," he said, among Dutch, Surinamese and foreign workers, although, he added, "I have seen quite a considerable change of artifude in the past few years." He has recently proposed a kind of affirmative action program within the city administration that would reserve jobs on a proportional basis for minorities. He also believes the schools should adapt their pro-grams to meet the requirements of minority children.

grant workers live in Schilderswyk, or the painters' district, which has cent of the Surinamese in The become a prime target for irrban. Hague are Hindustani, like Mr. renewal under the city's redejelopment program. The city grew quickly at the beginning of the century and homes were raidly and cheaply built, according to J.W. van der Shuis of the day's public relations department, and most are now severely in need of renovation. A survey in the 1905 decided which homes built before World War I - roughly one-third of the city's housing — could be repaired and which had to be ton down. This, he said, is an ongoing process that is expected to remain a top priority until the year 2000.

### Special Streets

And despite a loss of population to the suburbs in the 1960s, a trend that has leveled off, there is still a housing shortage that is not easy to remedy because the city no longer has any room for expansion, Five million people live in the Randstad Holland, the area be-tween Amsterdam, Utrecht, Rotterdam and The Hague, and the Datch would like to preserve green belts throughout the region for breathing space.

Living in the most densely populated country in Europe makes the Dutch particularly sensitive to these needs. The Hague city officials, in an effort to preserve quiet

residential areas, have encouraged the introduction of "woonerven special streets where cars are allowed but where they have no-more rights over any other form of traffic, whether it be pedestrian or

The apple of The Hague's facelift is its revitalized beachfront at Scheveningen, which is being turned into an urbanized, all-year sea resort. In its heyday at the turn of the century, Scheveningen was a summer playground for Europe's aristocracy and haute bourgeoisie, but after World War II it fell into:

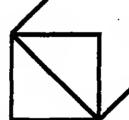
In 1973, the city launched an ambitious redevelopment project, earmarking 700 million guilders to create a combined recreational residential and business area. Atits heart is the newly renovated Kurhaus, a hotel built in 1885 that was reopened in 1979 and includes a concert hall and casino, Covered: walks, shopping malls and indoor pools and saunas are aimed at attracting winter visitors while restaurants, bars and nightclubs are designed to keep it going at night, too. Apartments are being built above the shopping malls. It is estimated that the entire project, which is above the shopping malls. which is about half finished, will , e completed in 1990. At the same ime, the city has begun develop-ng a second, much smaller seaside rsort at Kijkdoin.

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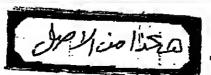




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### Fokker's Fortunes Riding an Updraft

By David Post

MSTERDAM - Fokker, the A Amsterdam based niteraft nanufacturer, was founded in 1910. It has had its ups and downs wer the years, but now with the roposed merger with McDonnell Douglas to manufacture a new 150-seat aircraft, the Dutch firm is mere again on an up.

Folker was clearly on a down during most of its 10-year merger with West Germany's VFW, which was largely a manufacturer of mili-tary aircraft. Fokker president Frans Swarttouw, who took over the reigns in late 1978, master-minded what he terms the "di-vorce" from VFW and pressed ahead with aircady pending plans to develop the medium-sized jet.

Laler, McDonnell Douglas Corp. joined in the project, which will lead to the development of a new short-to-medium-haul aircraft called the MDF-100. Both parties are trying to get a Japanese firm involved, which would split development costs (approximately \$2 billion), and guarantee sales not only in North America and Europe but also in the Fay Fast but also in the Far East.

First presentations of the MDF-100 were given to all major U.S. trunk operators and major Europe-an carriers in August. Representatives of the two manufacturers are now visitiog Japan and Australia to promote further interest. Both firms are encouraged by the airlines' reaction to the initial design. A revised type specification is oow beiog circulated to airlines.

Changes have been made following in-depth studies.

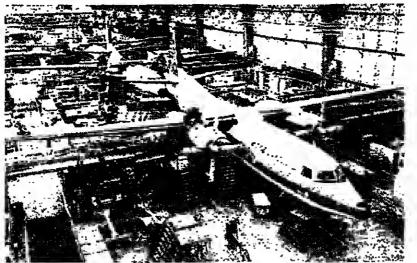
Discussions regarding engines have resulted in a paper now being circulated to CFM International. Pratt & Whitney and Rolls-Royce Japanese Aero Engines. Fokker says it needs 50 firm orders before it will proceed and as many as 500 sales are needed jointly to break even on the project. Market projections indicate that sales of 2,500 worth more than \$60 billion can be expected. It is a gamble, but one deemed necessary to the survival of both Fokker and McDonnell Douglas.

Moreover, the competition is also stepping into the 150-seater market. Both Boeing and the Euro-pean consortium Airhus Industrie are planning models of their own. Boeing has plans to develop its plane jointly with European and Japanese manufacturers. Performance specifications have been given to both United and Delta and the latter is expected to use the Boeing aircraft to replace its DC-9

Airbus Industrie already has 50 orders (25 of them options) from
Air France for its 150-seater. On
top of that, McDonnell Douglas
could go ahead with plans to manufacture a DC-9 Super 80, which would also enter that market.

Despite the competition's edge in the market with orders, the MDF-100 appears to be closer to realization. Fokker had been work-

The F-27 line at the Fokker plant at Schiphol airport. Amster- 3 dam, Sales of the turbo-prop aircraft total nearly



McDonnell Douglas. Fokker has the support of the Dutch government in much the same manner it had for its two present aircraft, the F-27 Friendship and F-28 Fellow-

Upwards of \$750 million in credits and guarantees have been pledged toward Fokker's share of dopment costs if the decison to go ahead comes through. This is expected before the end of the year. Fokker has completely repaid the costs of the F-27, first devel-oped in 1955, with royalties after the break-even point, and is doing the same with the F-28.

The F-27 Friendship is one of the most successful civilian aircraft ever developed; nearly 750 have been sold to about 160 operators in more than 60 countries. These planes seat betweeen 50 and 60 ing on plans for an F-29, originally a 136-seater, for several years before it decided to team up with

noted for its rough-landing-strip capabilities as well as fuel efficiency. At present, 187 have been sold, somewhat short of the 250 to 300 needed to reach the break-even

Production capacity for these two aircraft has been stepped up since Mr. Swarttouw took over. Now 16 F-27s are produced annually, up from 10 in 1978, and by 1982, production of the F-28 will rise to 14 a year, up from the cur-rent 12. There is an 18-month backlog and the F-28 is finally cracking the U.S. commuter mar-ket with sales to Empire Airlines, in upstate New York, and to Altair. Mr. Swarttouw hopes that the United States will eventually account for at least 25 percent of all

Twenty-year-old Anthony Fokker founded the company bearing his name 61 years ago. Fokker was a prime producer of military air-

craft. In the 1920s Fokker had three U.S.-based plants manufac-turing both civilian and military aircraft. It was the largest plane manufacturer in the world

Mr. Swarttouw, 49, comes from an old Rotterdam shipping family. He personally organized and built up what is now Europe's largest cootainer terminal before moving on to Fokker, a company previously run largely by engineers. Management and policies were changed, although some of this was in the works.

He sought, and found, an engineer to bead production who also thinks in "entrepreneurial and or-ganizational terms" — a rarity, ac-cording to Mr. Swarttouw. Fokker has managed to remain favorably in the limelight, however, and is ooce again considered a serious contender in the world aircraft sales race.

Technicians at work at Fokker laboratory.

### Chemical Companies Cut Back

By Bruce Barnard

MSTERDAM - The Dutch chemicals industry is struggling to stem mounting losses against a background of worldwide overcapacity in bulk chemicals, a sharp cyclical fall in demand and soaring dollar-priced feedstock costs.

Chemical companies are respooding to the crisis by closing plants, trimming capacity and cancelling projects. Akzo has begun a 400 million guilder restructuring program for its ailing fibers division Enka, involving the loss of 4,000 jobs in The Netherlands. West Germany and Northern Ire-

Shell is shutting down an ethy-lene plant near Rotterdam, which is operating at 65 percent of its 135,000 tons-a-year capacity, and overhauling its agrochemicals division, where capacity utilization is only 30 percent and is expected to drop to 20 percent within the next

Gulf oil has cancelled a \$200 million project, announced last December, for a 300,000 tons-a-year styrene plant, an alpha olefins plant and an associated lubricant plant. Gulf is pulling out of the European chemicals business after a \$7 million operating loss last year followed by a \$4 million loss in the first three months of 1981.

Air Products and Chemicals of the United States has dropped plans to build a \$20 million po-lymer emulsion plant in South Limburg because it expected opposition from environmentalists to delay the start of construction by two years and increase the final cost of the project. Shell Neder-land and Naarden International, the flavors and fragrances group, have decided to wind up their joint aroma chemicals company estab-lished only four years ago because growth has been lower than ex-

### Plastic Losses

Dutch bulk plastics producers will turn in losses of about 800 million guilders in 1981, according to Mr. E. Meinsma, director of Shell Nederland and chairman of the Dutch Chemicals Industry Associ-ation, VNCL Prices are about 15 percent below break-even levels, capacity utilization is running below 70 percent and most producers are losing 400 to 500 guilders oo each ton of product. Shell Chemie expects to lose 200 to 300 million

ucipates a 100 million guilder loss on its Dutch operations.

Dutch companies are from line victims of the slump in the European chemicals industry because more than 80 percent of their turnover is earned abroad. West European demand for ethyleoe, the chemicals industry s basic building block, is running at 11 million tons a year compared with capacity 17 million tons, and PVC producers have 5.5 million tons of capacity to meet yearly demands of 3.6 million tons. The petrochemicals industry has been floored by a drasuc slump in demand and analysts estimate that up 20 percent of West Europe's basic petrochemicals ca-pacity will have to close before the

industry returns to profitability. The industry's problems were compounded last year when American producers took advantage of the cheap dollar and lower gas feedstock prices to flood the European market.

Dutch chemicals companies are being squeezed out of many foreign markets, and their share of worldwide sales revenues has fall-en continuously from 5.2 percent in 1974 to 2.9 percent last year.

The chemicals industry, once decribed as the "locomotive" of the Dutch economy, began to falter about five years ago. Before the slide, it was the leading industrial investor and regularly accounted for 16 percent to 17 percent of total Dutch export earnings. But in 1978, the Economics Ministry warned that "the traditional favorable factors for the chemicals in-dustry — the central location, the availability of good and cheap transport and peaceful labor rela-tions — are gradually being superceded by negative factors such as rising energy costs, high wages and land prices, stringent environmental restrictions and lengthy plan-ning procedures."

The downturn has taken its toll on the balance sheets of the two major Dutch-owned companies, Alzo and the state-controlled DSM group, although both appear

to have put the worst behind them. DSM's operating profit was almost halved to 209 million guilders in 1980, from 373 million guilders to 1979, and net profit slipped to 25 millioo guilders from 89 millioo guilders despite a 17 percent jump in sales to 14.9 billion guilders. Operating profit slumped 20 per-cent to 195.4 million guilders in the first six mooths of this year guilders on polymers alone, and compared with the corresponding the British chemical group ICI an-

cent in the period to 9.38 billion guilders but costs, excluding depreciation and amortisation, were percent bigher at 8.88 billion

guilders.

Akzo took a net loss of 70 million guilders in 1980 compared with a 230 million guilder profit the year before. In the first six months of this year, net profit was more than halved to 76 million guilders from 153 million guilders are profit in 1980 despite. in the same period in 1980, despite a 13 percent rise in sales to 7.2 billion guilders against 6.4 billion

More Losses

Akzo's major problem is its fibers subsidiary Enka, where losses and restructuring costs totalled 1.5 hillion guilders from 1975 to the end of last year. More than 14,000 jobs have been eliminated since 1975 but in the second balf of last year it became clear that more surgery was needed to return Enka to profitability. Akzo is proceeding with the second stage of its recovery plan that will cost 400 million guilders to shed 4,000 jobs from its 30,000 payroll but will bring annual savings of 150-250 million guild-

In the 1980s, Enka aims to prune its synthetic fibers operations, for textiles and carpets, to only 20 percent of turnover and reduce the share of cellulose-based fibers from 18 percent of sales last year to 15 percent during the cur-rent decade. Non-fiber products, which provided 11 percent of turn-over io 1970 and 18 percent last year, should account for 25 per-

cent of sales by the late 1980s.

Despite the depressed trading conditions, some companies continue to invest in the industry. The petrochemical industry received a boost recently when Exxon announced it would build a 500 million dollar gas-from-coal pilot plant in Rotterdam, which could lead to the construction of a commercial gasification plant costing three to four billion dollars at cur-

rent prices.

Arco Chemical, a subsidiary of Atlantie Richfield, is spending \$100 million to increase capacity at a gasoline tertiary butyl alcoho plant in Rotterdam from 210,000 tons a year to 400,000 tons. "Our plant at Botlek is sold out on GTBA," claims Arco's senior vice president Donald W. Wood. Dow Chemical is building a

plant in Terneuzen to produce lincar low density polyethelene, one of the chemicals industry's bottest

### make accurate measurements. The solotion was to place the

By Judith Burtt

A MSTERDAM — The Dutch satellite IRAS, equipped with a helium-cooled infrared telescope. will chart the sources of infrared radiation in the universe that astronomers hope will enable them to learn more about the origins of the stars and about the phenomena in the nuclei of galaxies, such as the Milky Way.

They believe that perhaps half of the energy in the universe is emitted in the form of infrared radiation. This takes place mainly at the birth of a star, still a little-understood process, and billions of years later at its death. Their studies have been hampered by the fact that the Earth's atmosphere absorbs a great deal of this cosmic infrared radiation. IRAS, which will orbit the Earth at a beight of 900 kilometers (about 560 miles), will overcome this problem by heing able to get above the atmos-phere to make its observations.

Altogether, it is expected to find at least I million sources of infra-red radiation during its yearlong mission. It will look particularly at the Milky Way where stars and dust clouds seem to be more com-

Earth because most of it is absorbed by interstellar gas and dust. Since infrared radiation is less scattered. IRAS is expected to be able to observe the Galactic Ceoter to a greater degree than any other instrumeot. This could be useful in explaining the high concentration of energy there.

Probing the Mysteries of the Universe

IRAS is a Duteb-American-British project, although most of the work has been divided fairly evenly between the Americans and the Dutch. The British have only a mi-nor role, NASA and NIVR, which had developed ties during the first Dutch satellite program, began discussing an infrared satellite in the mid-1970s and drew the interest of the British Science Research Council In 1977, a memorandum of understanding was drawn up and contracts for the work signed.

### Heat Radiation

The satellite consists of two parts: the spacecraft carrying the satellite systems and a large con-taioer mounted above it carrying the infrared telescope. Because an infrared telescope produces high levels of heal radiation - nearly 10 million times more hear radiation than the brightest infrared source in space — it was necessar from the Milky Way reaches the to build a satellite that would elim-

inate this heat in order for it to

telescope in a double-walled coo-tainer that will be filled with liquid belium to cool it to around absolute zero (-271 Celsius). The entire satellite weighs 1,020 kilograms and is the largest and heaviest one built in Europe.

### Flown to U.S.

The United States developed the telescope system and will be re-sponsible for the launching and final data processing. The design and construction of the spacecraft, including all subsystems, and the integration of the satellite was carried out in the Netherlands by Fokker and Signaal. On Oct. 2, after more than four months of integration and testing in the Netherlands, the completed satellite was flown to the Jet Propulsion Laboratory in Pasadena, Calif., where it will undergo more tests this winter and spring before being lattoched

in August. The British are responsible for the ground station and operations at the Rutherford and Appleton Laboratory in Chilton, where they will be helped by crews from the Dutch National Acros

Reoriented Space Program Approaches a Turning Point (Continued from Page 7S) board computers, and the ground equipment for communications

and broadcast satellites.

Most of Fokker's activities are
done at its Schipbol plant outside
Amsterdam, where 220 persons work in its space division, as op-posed to 9,000 in its aircraft division. Only about 2 to 3 percent of cording to IJ. Kappeyne van de

contracts in the space division. For Fokker, involvement in space is a necessity because of its spinoff ef-fect on new technology in the aero-

It has specialized in four main areas of satellite design: structure, it built two interstages, or connecting pieces, and an engine frame for the Ariane launcher; thermal conment aboard a satellite stays within a given temperature range; attitude control, which makes sure the satellite points in the right direction; and integration and testing, that is, putting all the pieces together and testing them.

Fokker and Philips generally work through industrial consortia io acquiring satellite contracts, and belong to different ones in order to win the maximum amount of work space, according to its director, J. TPD in Delft, south of The Hague.

for the Netherlands. lo addition to van der Blick; the rest are in avia-Fokker and Philips, there are several laboratories and universities involved in space research. The National Aerospace Laboratory (NLR), a nonprofit foundation stibsidized by the government, opcrates two laboratories, in Amsterdam and in the Noordoostpolder.

tion. It carried out the ground operations for ANS and IRAS and has conducted small environmenual tests, research on space material and studies for ESA on attitude control and orbital control. Research is also done at the universi-About 30 persons, or 10 percent of ties io Utrecht and Groningen and operation, are involved in at the Institute of Applied Physics

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### Delftware: A Craft That Managed to Survive

By Mark J. Kurlansky

DELFT — In the loog history of Dutch crafts and commerce, De Porcelyne Fles (The Porcelain Jar). founded in 1653,

stands out as a survivor.

At the end of the 17th century, when the Delft pottery business was in its heyday. De Porcelyne Fles was one of 30 potteries in that town, the largest having 50 to 70 artisans. Today this company has 240 employees, 40 making pottery and 130 painters. It is the only maker of Delftware left, and room after room of painters patiently working at well-lighted benches (men and women still in separate rooms) cannot keep up with the

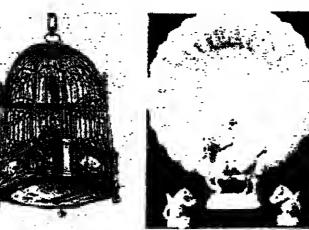
demand.
The demand has oot always been high. The town prospered for a time on imitations of the Chinese porcelain introduced to Holland by the Dutch East India Co. Then, in 1709, the Germans discovered how to make porcelain, a material

how to make porcelain, a material that affords greater delicacy in form and design. Porcelain makers flourished, many of whom are still working and include Meissen, Berlin and Sevres. The Dutch oever mastered the technique.

An Englishman, Josiah Wedgewood, discovered clays that would fire white. This was less expensive and provided a better painting surface than the Dutch fired white enamel. Unfortunately the new mateamel. Unfortunately the new materials were not found on Dutch ter-

ritory.

By 1813 there were only three potteries left in Delft. Two of them closed soon afterward and the remaining one, De Porcelyne Fles, survived by making utilitarian products. The art pieces they made were cheaply done with mostly



FROM 18TH CENTURY - Delft pottery and Swiss bird-. cage-clock, at recent Delft antiques fair.

printed patterns rather than hand

When Joost Thooft bought the factory in 1876, he and the grandfather of Paul Labouchere, the present owner, had to search back almost 75 years to find recipes and techniques for the artisan produc-tion of Delftware. They modified and improved techniques and for-mulas until they arrived at o line of Delftware that in colors, shapes and designs matched the 17th- and 18th-century product

De Porcelyne Fles now makes about 800 different items in 450 shapes. As in the beginning, the bulk of the work is the blue and white style copied after the Ming period. They also paint the predominantly green, multicolored designs fashioned after the porcelain of the Ching dynasty, and the red, blue and gold from the same period influenced by Januares Arian period influenced by Japanese Ari-ta porcelain. In 1978, the company

again began to produce the stun-ning black pottery that was once called the black wonder of Delft. All of these date back to the 17th

The forms, colors and designs. Dutch variations on oriental motils — peacocks, flowers and fans mingled with windmills and Dutch country scenes — are still meticu-lously copied. There are also five designers, senior painters who have been with the company for several decades, and each has his own specialty. For example, Jan Dessins works in sepia while Herman Sanders is known for the elaborate detail of his ornamentation.

The designers produce special commemorative pieces and por-trait plates for the Dutch royal plus two or three privately commissioned portraits each

Although Mr. Labouchere is

looking for ways to increase the efficiency of his operation, he is limited by the fact that be is producing an 85-percent handmade product. Until recently it took a year before a new painter could do something salable. Now, special pieces employing all the basic design elements have been devised to cut the training period in half. But it still takes years to master the unique technique of brushing the watery paint onto the porous clay.

Valuable Artisans

De Porcelyne Fles, which up until two years ago still paid painters by piece work, retains most of its artisans for decades. "Where would they go?" Mr. Labouchere said. As much to maintain quality as morale, each painter is periodi-cally moved to a different type of

This is a small company with an annual turnover of \$4.8 million. Its products sell from \$20 to \$14,000. The value tends to increase rapidly on some pieces. A 1977 plate of 18 centimeters with o tower on it originally sold for \$62. It has already doubled its value. A 1915 plate of 25 centimeters that sold for \$18 is now valued at \$5,000.

Since the company has o mooopoly oo the genuine product, its only competition is cheaper imita-tions that are sold in souvenir shops all over the country, includ-ing the main square in Delft. These mitations, usually with printed de-signs, are made oot only in the Vetherlands but in Taiwan and Korea. They are marked on the back with phrases such as "Delit Blue." But the only true Delft blue is marked on the back with o drawing of a pot over the letter J over the the word Delft.

hlase premiere audience's reaction to his work. Backstage anxiety reached its peak when the sched-uled soloist couldn't go on because of o back injury and Mr. Kylian's wife had to fill in.

Meanwhile, out on the plaza,

there were long lines of people pushing for tiekets. The Met's great chandeliers were dimmed 20

minutes later than scheduled. The

### ngures and naval heroes from the Golden Age, including Admiral. Piet Hein who defeated the Spanish fleet. The leaning tower of the Oude Kerk is in its original 13th-century style and contains the famed Bourdon bell, which was century style and contains the famed Bourdon bell, which was century to and measures 23 feet in circumference and weighs 18,000 pounds. This church is on the Oude Delft, not far from the Prinsenhof, where William of Orange had resided until his assessination there in 1584. Historical Sites

The Netherlands

Delft: Where Beauty

Combines With History

A MSTERDAM — The medieval marketplace of Delit, the town of Johannes Vermeer and blue porceisin, is reputed to be the most beautifol square in the Netherlands.

This Markt is lined with small gabled houses that link the 17th century Town Hall and the Nieuwe Kerk, which has a 375-foot high tower and a fine 48-bell carillon used for 11 a.m. concerts every Tuesday, Saturday and holidays.

Nierwe Kerk was built between 1383 and 1496. Within its walls is the horizontal to the House of Course, as well as the manuals.

is the burial vault of the House of Orange, as well as the mausole, um of Prince William of Orange, known as William the Silent, father of the Netherlands. This late-Gothic structure was labeled nieuwe to distinguish it from the Oude Kerk (old church) which

The Oude Kerk, originally a wooden structure then replaced with a small stone building, which was enlarged over the centuries until attaining its present size and shape around 1500, was badly damaged in recent times but then restored to its original glory in

1949. One finds here the tombs of Holland's greatest polinical figures and naval heroes from the Golden Age, including Admiral

had been started in 1240.

By Jules B. Farber

On a main stairway wall of the former royal residence can be seen the teyckenen der kooglen (bullet marks) from the blass that murdered the prince. William of Orange moved into this former Sint Agathaklosster (Saint Agatha Cloister) in 1572 and was given the building as a gift from the town of Delft one mouth before his

assassination.

Today, the Prinsenhof is a historical museum specialized in paintings and relics from the House of Orange-Nassau. Every October, the collection of royal memorabilia is moved out to make room for the prestigious Delft Art and Antiques Fair. In the hallowed halls of the former princely residence and its own large chapel, o select who's who of Holland's leading dealers exhibit. their rarest treasures hoarded all year for this showcase fair that

attracts museum directors and collectors from all the world. This year's Delft's Fair, which closed on November 4th, was the best in its 33-year history. For the first time Delft admitted Victorian jewelery (not furniture), Romantic paintings, French and Dutch Impressionists and even Art Nouveau/Art Deco items. These were displayed along with the great pieces of Delft blue and white porcelain. French and Dutch furniture, 17th century Dutch masters' paintings and Rembrandt drawings, and a myriad of order to continuous collections. costly collectibles. Peter Carl Faberge pieces were given a special

display.

There are interesting small museums for their specialized collections. The Huis Lambert van Meerten Museum, Oude Delft 199, has a superb representation of old tile tableaux from many lands. The Paul Tetar van Elven Museum is an 18th century patrician house, furnished in that style, with a 17th century artist's atelier. The Ethnological Museum, Agathaplein 4, has a permanent exhibition of masks, weapons, religious art and prints from Indonesia, New Guinea and Surinam.

The Town Hall has a curious law museum in its 14th century Steen tower — the old prison — that was incorporated into the municipal building when it was rebuilt from ashes in 1620. The Steen survived a number of major fires which destoyed much of Delft in past centuries.

"Living muscums" are what the hoffer or aims houses of Delft might be called since these are walled in retreats for elderly womhigh the calculation is the way of the state of the state

### Autique Shons

Art and antiques, crafts and poscelain are the most worthwhile is to search for while wandering through town. In the Prinsen hof, reached through an entrance at Oude Delft 183b, you will find the Scheppend Ambacht with sales exhibitions of contemporary handcrafts by selected artisans. Nearby, on the Agathaplein

there is an open air antique market every Saturday.

Antique shops, with selections of top Delft blue porcelain and good paintings, are located primarily in the patrician houses, which line the canals in the whole inner heart or centrum. Modern art is seen in galleries with an interesting exception to be found in the Oostpoort, the east gate that is the only surviving section of the town's 14th century walls. It is occupied by two artists who expose

None of the great works of art by native son Johannes Vermeer; None of the great works of art by native son Johannes Vermeer, nor any by Pieter de Hoogh or Jan Steen, who did some of their best paintings while living here, have remained in town. But many of the interiors, with their strange, special light recorded by Vermeer on canvas, are still as they were in the 17th century. The "View of Delft" by Vermeer, on permanent exhibition in the Hague's Mauritshuis, reveals that this small, architectural jewel of a town has not changed very much for three bundred years.

The art of making blue porcelain has been linked with Delft from this same era of great patrician wealth and Vermeer, but few people realize that the pottery business got started because of bankruptcy troubles among the local beer breweries.

bankruptcy troubles among the local beer breweries.

After a huge beer factory went out of business, its hop halls were converted to hand-painting faience in the traditional majolica manner of southern Netherlands. When the ships of the East Indies Company, with its headquarters in Delft, brought sample wares of blue and colored porcelain from China, the fledgling company started copying these colors and exotic styles.

From that evolved the Delft blue porcelain which became popular across the Continent and brought many royal commands from the courts of Europe. By the end of the second half of the 17th century, some 30 breweries had stopped hop-making and had converted to producing Delft pottery.

Today only the Porceleyne Fles (Royal Delftware) factory in Delft, founded in 1653, still makes the authentic blue porcelain in the old tradition, though many imitation products are passed off as real Delft blue. The show room of the Porceleyne Fles is open to the public with an exhibition of traditional styles and work by contemporary potters.

### Netherlands Dance Theater Draws Raves

By Jules B. Farber

THE HAGUE — During Man-hattan's July hearwave, a group of modern dancers from The Hague came to New York, conquered the world's toughest ballet audience, filled the 4,000seat Metropolitan Opera House every night during one week at \$20 to \$25 per ticket, got 15-minute standing ovations, drew rave critical reviews, and was invited back for two weeks' performances next

And all this while the classical English Royal Ballet and Milan's La Scala Opera Ballet, with Rudolf Nuryev and Dame Margot Fonteyn as solists, were dancing in the same festival.

When the Met heralded "The daring genius of The Netherlands
Dance Theater on its oversized
posters positioned throughout the sprawling Lincoln Center plaza, it knew from experience that the en-ergetic small company would again

captivate New York with its exciting body language and choreo-graphic innovation. Two years ago, when the troupe accepted an imwhen the troupe accepted an im-promptu engagement at the City Center, the public and press went wild. Clive Barnes, America's lead-ing dance critic, began his review with "Yesterday evening, dance history has been made at the City

Ceoter."
Though The Netherlands Dance Theater has existed since 1959, it really moved into its own on the world stage three years ago when the Czech choreographer, Jiri Kyli-an, took over as artistic director. Working with 32 dancers, half of them Americans, Mr. Kylian imparted a dynamic new direction to the troope and created his own ballets, more than 20 now, for a very personalized, emotional exion of moods and movements

repertoire; that's as far as it goes. Mr. Kylian, 34, with Slavic good looks, soulful eyes and a dancer's litheness, jumps at criticism that The Netherlands Dance Theater is a group of anonymous dancers. "I know it sounds corny, but our ensemble moves as one body. The dancers' strong personalities come through in their compassionate in-terpretations. We don't oeed stars. Ours is a group effort — that's our special strength."

Despite the choreographer's deserved self-confidence in his com-pany, there were opening night jitters and problems in New York. Nervous tension was evident for the first Dutch dance troupe to perform at the Met. There was concern about box office returns. Would the balletomanes show up? How would they react to the sober with a powerful impact that affects the mind and the heart.

Though names sell tickets, there are not stars in this troupe. The

music came up, the stage filled with the raw energy of these dedi-

cared dancers, and an electrifying magic swept over the huge auditorium. They were ot home in the "Big Apple."

But while the press wrote rave reviews, the spotlight was always clearly focused on Mr. Kylian. He was called the world's greatest choreographer. The press said that in this troupe the choreographer was the star, a poet of many moods who works with movement instead of words. Mr. Kylian was credited with making The Netherlands Dance Theater one of the most instead and the state of the most instead of the most instead of the most install the state of th ventive and physically exciting companies around. He has a crazy knockout punch, unmistakeable and unforgettable ... a master ...

one of the most interesting choreographers of the century. Acco-lades, superlatives, Kylian, Kylian, Kylian. Rudolf Nurvey never mi one performance of The Netherlands Dance Theater in New York and asked Mr. Kylian to create a ballet for him. Another great Rus-sian emigre dancer, Mihail Barishnikof, director of the American Ballet Theater, is also waiting in line for work. But Mr. Kylian is

concentrating on his troupe. This first priority precludes outside work or taking the rumored big offers to settle in the United States. Who is this Mr. Kylian that took the dance world by storm in the past three years from The Hague? Jiri Kyhan trained for five years, in his hometown, at the Prague Conservatory in ballet, folk dance, music theory and piano. Then he went to London's Royal Ballet Academy. Since non-British nationals were barred from the company, he found work with John Cranko's troupe in Stuttgart. Mr. Cranko made the young man his protege and encouraged him to experiment as a choreographer. Mr. Kylian's first ballet was a duet with his girlfriend. He also designed the costumes and selected the music. It was such a success that Mr. Cranko asked him to compose a ballet for the entire en-semble. It wasn't long before Mr. Cranko realized that Stuttgart was

too small for both of them. Jules B. Farber, an American journalist and author (three books on The Netherlands in English and Dutch), has resided in Amsterdam

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### Telecommunications: The Growth Problem

By Brendan Boyle

THE HAGUE — It has taken the Dutch post office exactly a century to catch up with the demand for telephones. After a decade of growth, the telecommunications division is facing an unfamiliar need to market its services ac-

tively.

"For years, we had a waiting list of around 150,000 telephone applications. Everything we could make was bought, but now for the first time we have to sell what we make — we have to market ourselves." said telecommunications director Cor Wit.

The Netherlands Bell Telephone Co. (NBTM) opened the country's first telephone exchange in Amsterdam in June, 1881. It was a small wooden construction directly linked to the 49 people rich enough and daring enough to pay as much each year as a live-in chambermaid could earn in 24

By 1970, the system taken over as a state monopoly in 1897 had 2 million subscribers and was entering its most dramatic growth phase. A further 3 million connections were made in the next decade, putting telephones in nine out of 10 homes at an annual cost equal to one week's minimum

### Computer System

The manual exchange is gone now. And by the turn of the century all the mechanical automatic exchanges will have been replaced by silent computers programmed even to carry out automatic mainte-

"We were among the first countries in the world to have a fully automated telephone system and will be among the first to be fully computerized. But the Netherlands does not take a lead in technologidoes not take a lead in technological terms," Mr. Wit said. "We keep up with new developments and are quick to adapt to new ideas that have been proved elsewhere. The country is too small, he

said, to take an innovative lead. The whole telecommunications system is the equivalent in size and income of a moderate-size independent company in the United

> Although small, the telecommunications system, which em-ploys a relatively low 28,000, is eficient and profitable. The 1980 budget shows a positive balance of 218 million guilders.

> "Now that the demand for telephones has been satisfied, we are turning to other services. We already have the highest telex density in the world, and this year we opened a new data communications network that will provide for public computer communication among about 10,000 connections," Mr. Wit said.

### Welcome Challenge

From the subscriber's point of view, the new challenge facing the post office's telecommunications division is a welcome one. With the familiar pressure of demand gone, a telephone can usually be installed in three weeks - a considerable improvement on the ear-lier wait of more than a year. Also, it means that the post office has both the time and the inclination

to seek and promote new services. Sophisticated switching devices that link two addresses as much as five kilometers apart on one num-ber, car telephones, paging systems and inexpensive facsimile transmission are just a few of the services recently added. And the choice of instruments has grown

far beyond the grey-or-grey option.

A digital computer exchange due to open in Amsterdam in 1983 will offer a whole new range, including a free-phone system, an automatic message service and au-tomatic transfer of calls to any other telephone number.

At present, the increasing range of telecommunications facilities appears to be outstripping the public's ability to absorb and understand them. An experiment in



The Witkar: Inventor says there are not enough cars, stations.

### Communal Cars: Running Out of Gas

try's modern and efficient system of communication, and confident that it will remain reasonably

priced in spite of the post office monopoly. "The new situation means a total change of philoso-

phy for everyone here. But, in the

interests of employment if nothing

else, we are setting out to show people what we can do and find

Perhaps the most remarkable thing about the current system is that it has been built almost entire

what they want from us," he

By Mark J. Kurlansky

MSTERDAM - When Luud Schimmelpen-A MSI EKDAM — when Lund schilling aperation and nink, a mechanical engineer, was on the Amsterdam City Council in 1967, he tried to sell the city the idea of providing 2,000 free bikes for public use. The city did not buy and Mr. Schimmelpennink decided to apply the same principle to automobiles. So he invented an urban automobile called the Witkar

A Witkar is a two-seat electric car. It has a maximum speed of about 19 mph and can run 20 minutes without recharging. Mr. Schimmelpennink estimated that a Witkar can get from any central Amsterdam point to any other within that time. Recharging, which takes seven minutes, can be done at any of seven automatic stations.

To use a Witkar, the commuter pays about \$8 a

year and is given a magnetically coded key. At the moment there are 800 key holders who can pick up a Witkar at any station and leave it at any

But there are technical and financial problems with the project, which failed to get the city's financial support. Only three of the seven stations are in operation. Mr. Schimmelpennink has run short of funds and has found unanticipated tech-nical problems with the automated aspect of the

"Witkar was a very interesting experiment, but it hasn't succeeded," said Burgomaster Wim Po-lak. The inventor does not agree. "If you had IS stations and 100 cars it would hreak even," he said. He has raised \$80,000 from the national government as an energy saving project and is looking for another \$80,000 to continue developing his idea.

> pation of the Netherlands led to the destruction of most of the existing infrastructure and left the country with a telephone system only one-tenth of its prewar size and largely operated in secret by rebellious technicians.

### Queen Beatrix Maintains an Active Pace By Nel Slis Beatrix, Prince Claus and their three sons, Willem Alexander, heir THE HAGUE - Queen Beatrix to the throne (14), and his two

of The Netherlands brought the royal residence from a country palace back to The Hague in August, another sign that she wants to play an active role in the swirl of diplomatic and political life. After a turbulent start, the Queen has managed to win popularity and respect during her first one and a half years on the throne.

For the last six months, the Queen has had to contend with the formation of a new coalition government, the one significant politi-cal role left for the Dutch monarch. She has met almost daily with party bosses and economists, trying to mediate the policy con-flicts. A politician said: "She was resolute in handling the crisis and personality clashes."

Observers say she has shown inexhaustible energy, making it hard for some of her staff to maintain the pace, and has kept government ministers on their toes. On the first anniversary of her inauguration, Beatrix won a hroad demonstra-tion of respect and sympathy from the nation in the southern towns of Veere and Breda. A dozen demon-strators were detained briefly.

But that was in sharp contrast to April 30, 1980, during her inaugu-ration, when battles raged a few hundred yards away from the royal palace between elub-swinging police and rock-throwing rioters protesting a chronic housing short-

ige. The Royal Family moved to The Hague, seat of government and the diplomatic corps, and traditionally the royal residence.

Former Queen Juliana broke with this tradition to flee from diplomatic and political bustle. But last August 13. The Hague regained its royal status. Queen

brothers, Johan Friso (13) and Constantijn (12) moved into Huis ten Bosch palace. Originaliy a 17th century summer house it was turned into a small palace in the

18th century Part of the three-wing palace is used for ceremonial functions. The Royal Family's private quarters take up one wing, and includes a wooded area with tennis courts and swimming pool.

The Hague was delighted that after 33 years of absence, royalty returned, and gave them a warm welcome. A smaller palace, "Noordeinde," is being restored to accommodate Beatrix's private off-

### Prince Claus

Prince Claus, SS, was reluctantly accepted by the Dutch nation as a consort in March, 1966, but has proved a pillar of strength and support to whom the Queen is said to turn often for advice.

In contrast to Prince Bernhard, his father in law. Claus will accompany the Queen wherever she goes. Together they have visited Africa, China and the Soviet Union. He is serious and discreet, a devoted husband and father, carefully watching over the education of the three princes.

Quiet and reserved, he has carned the sympathy of the Dutch people, not least because he succeeded in mastering their difficult language, which he speaks virtualwithout accent. He is interested Third World problems and the Dutch government has given him several tasks in this area as well as in the field of urban renewal...

The Queen is described by insiders as highly professional, always

well prepared for visits by politi-cians and foreign diplomats, and with an iron discipline. She has al-ways had a great admiration for her grandmother. Queen Wilhelmina, often called the last Victorian

At her inauguration ceremony in April, 1980, she said, "Great examples came before me. My grandmother, who in her own strong fashion personified the nation, and my mother who interpreted her profession in her own human way. These examples inspire me, but I cannot copy them."

Beatrix's eldest sister, Irene, renounced her royal prerogatives when she married Roman Catholic Prince Carlos Hugo de Bourbon Parma, once claimant to the Spanish throne. Early this year, Irene, the most elegant of Juliana's four daughters, decided to divorce. The Vatican refused the divorce and the Dutch law court gave Prince Ugo the right to educate the chil-

Beatrix is well aware of her historic task and a stickler for tradi-tion. She has not appreciated her sister lrene's divorce and immediately after the Dutch law court's decision that Irene's husband. Ugo de Bourbon Parma, had the right to the four children, the Queen showed herself publicty with Irene's former husband.

Nearby lives a third sister of the Queen. Princess Margriet, married to a commoner. Pieter van Vollenhoven. They strictly adhere to their royal duties and privileges and perform royal functions when called upon. The fourth and youngest siscommoner. Cuban-born American. Jorge Guillermo, lives with three children in New York, where Guillermo works for the Royal Dutch

### Youth Makes Its Impression on the Nation

By Coen van Harten

MSTERDAM - You can A have your marijuana joint in public even in the smallest village in the Netherlands. Passing policemen will stop only to comment on the quality. Regularly, young sol-diers with the latest hairdos confer with Hans van Mierlo, the playboy-like minister of defense who has built himself an image as a kroegtijger (cafe tiger).

Nearly every month, the city of Amsterdam resembles Beirut after a heavy guerrilla fight: That is the way some young people complain about police clearing out houses in which they have squatted. Win-dows of banks or other "capitalist" companies - jewelers are frequent targets - are broken regularly.

In the larger cities, there are without being robbed by heroin dealers or addicts, who have their own territories. School leavers have more to spend than the middle-aged unemployed in Britain — and they do. That is young Hol-land at first sight. Liberal. Tolerant. Violent. A maximum of freedom that - at the end - must lead to anarchy. But like many im-

pressions, this one is wrong.

There have been fights between young stone-throwing squatters and equally young policemen. Rioting squatters made the mau-guration of Queen Beatrix nearly impossible last year. Police used panzer wagons against the revolting youth. It is also true that almost 50 percent of the unem-ployed are under 24 and that no authority can force them to accept a job they see as too far away from their home. But there are more positive facts.

The universities have more students than ever and many join fra-ternities to their regret. Their regret is that, in attempting to cope with modern times, many fraternities ended years-old traditions. Dancing schools have discovered a new market: not the young middle or upper class, but the young working class. They do not want to flicts that rocked Holland centulearn the latest rock 'n' roll steps (which they learned years ago), but

go contests The Dutch Liberal Party (VVD), which is not liberal in the accepted sense at all, tries its best to attract new voters, who get their voting rights at 18. The rightist VVD and D 66 (liberals, too, with a leaning toward the center) have relatively more support from people in their 30s than the Labor Party, which

are doing their utmost to win tan-

tends to attract retired people. Constructive Young Nederland Constructive Young Netherrightist former veterans' union OSL, has far more members than Onkruit However, Onkruit (an anti-militarist youngsters organiza-tion) has more flair for publicity. They disturb flight shows at NATO bases and destroy war toys in department stores.

The majority of Dutch youth

have the same problem as the majority of Dutch adults: they are a majority, but a silent one. More moderate youth lack good public relations. For example, if the EO (an orthodox Christian broadcasting organization) sponsors a meet-ing where thousands of so-called reborn Christians sing, pray and listen to the problems of Chris-tians in the Soviet Union, few Dotchmen ever hear about it. However, if Onkruit decides to throw one smoke bomb at a conference of police officers, the whole Dutch press will take up the

That is why even the Dutch have a wrong impression about their

No-Guilt Squatting

By Craig Justice

A LKMAAR — Joost is a 22-year-old student who hopes to become an elementary school teacher next year. He lives in a modest four-room apartment in a 10-story complex just outside the town's center. The dwelling is clean, simply furnished and very

the town's center. The dwelling is clean, simply furnished and very cheap. In fact, Joost and the young woman with whom he shares the flat—along with two kittens—pay no rent. They are knacken. Squatting is by no means limited to Amsterdam and other large cities. Here in Alkmaar—whose charming 17th-century-styled center is known to tourists for its Friday morning cheese market—some young people have also chosen this more affordable way of living.

Jost said: "Many landowners set high prices for their houses and apartments, waiting to sell and make a lot of money. But there are not enough people who can pay that much, so a lot of places stay empty. There is no housing for young people — and the government isn't doing enough about it."

The blond-haired, long-banged Joost — who wears an earring, which is in settle for ment arturages Thursh man — said he feels no

which is in style for many younger Dutch men — said he feels no guilt for squatting. This residence is the second one he has illegally occupied, and it is decorated with his and his friend's belongings. "I tried calling the owner to offer him some money," Joost said. "But he wanted nothing to do with me."

Dutch law stipulates that occupied buildings may not have their

Dutch law stipulates that occupied buildings may not have their utility services cut off — which are the costs Joost incurs for his "rent." Hence, the only course usually left for owners wishing to rid themselves of the unwanted guests is to call the police.

Although riots are not common to Alkimaar, according to Joost, "when the police come in Amsterdam, we can assemble thousands of people quickly. If they try to evict someone, then the costs from our damage will be high." He argued that it would be easier — and less expensive when all costs are considered — for the government to huld more low-cost housing.

Joost wears a button on his shirt that reads in Danish "Down

A poster placed in the apartment's picture window further ad-

vertises his political feelings. This one reads "Stop the Neutron Bomh," which an activist sold him just days after President Reagan authorized construction of the controversial enhanced ra-

diation weapon in August.

That afternoon, a Saturday late in August, volunteers opposed

With Atomic Wespons," which he picked up at the peace march in

to huild more low-cost housing.

Copenhagen last summer.

own children. It is the minority that defines the image of Dutch youth. It is a minority, however, that is not unimportant. The reaction of today's radical youth can be traced back to the religious con-

Amsterdam with antomatic ser-

vices provided by the computer ex-

change has drawn little interest, and the post office's introduction

of Videtel, a telephone-line televi-sion data bank, failed to reach 40-

percent capacity during a recent trial.

**Decision** in January

"The decision whether to con-

1983," Mr Wit said. "It is flex-

tinue Videtel will be taken in Janu-

ible, educational and inexpensive, and I am sure it will go ahead."

ries ago.
Holland's history has been decided by minorities more than once. After all, even the eventual American pilgrims started off from Holland after having stayed there for a number of years, attracted by the religious tolerance prevailing

The Netherlands is a Calvinistic country — even the Catholics are. The Calvinists succeeded in freeing Holland from Spain during the 80 Years War (1568-1648). But these pious guerrillas were not the first religious dissidents in the Low-lands Before Calvin had any influence, there was an Anabaptist movement.

These Anabaptists were not in any way disobedient to the Spanish Catholic authorities. They took the political consequences of reading the Bible in their own language (which was not only forbidden but punishable by death). They were strongly convinced pacifists and had their own idea of social justice. During the war against Spain, the Calvinists prevailed over the Anahaptists, who, as pacifists, were useless in this war of independ-

Many historians argue that Calvinism provided the base for mod-em capitalism. In Holland's Gold-en Age, the Calvinists proved to be good in free enterprise in commerce, in conquering colonies and in founding one of the ruling states of the world: a republic under the reign of the House of Orange. Under the surface, another movement was developing. The tradition of Anabaptism never really vanished In the late 1970s, there was a polit-

ical symptom of this influence.
Roelof Kruisinga, then minister
of defense, resigned because he
could not harmonize his ideas about nuclear weaponry and his Anabaptist conscience. This incident took place in a center-right coalition government. Over the centuries, the Anabaptist ideas about defense and social righteouness, especially about property and real estate, have influenced Dutch

Thus there is a direct connection between the ethics of the 15th-through 17th-century Dutch heret-ics and the anarchistic credo of the squatters of the 1980s: property is theft. Today's squatters are simply more violent than the Anabaptists. In frequent meetings with the revo-lutionary youth of Berlin and Zurich, they give advice and lectures (after more than a decade of experience in such matters) about how to handle a policeman who does

not agree. The young supporters of the IKV, the Interchurch Peace League (there are very old ones as well) act more in the tradition of Anabaptist pacifists. But they are Calvinists, Catholics or humanists. The members of these groups (and there are a lot more than have been mentioned) met each other in the 1960s. Before World War II, the Dutch largely lived in strict denominational segregation. However, the resistance movement during the occupation brought them together against the common enemy: Nazi Germany.

The culture shock was delayed. After the war, the Dutch had the same aim: rebuilding the Netherland was a European idyll without any sign of a social conflict. But in the 1960s, it was confronted with some new things: welfare, social security, Coca Cola and Bob Dylan.

As a result, the formerly segre-

lands, and a colonial war in In-donesia. During the 1950s, Hol-

gated young met each other. A re-ligious and social cross-fertilization was being experienced at the universities. A new climate evolved. The Netherlands became a hippies paradise. Boeings full of Americans came over to freak out Swinging Amsterdam, And after

### erant country in the world. Early Revolutionary

few days of alternative sightsee-

ing, they took home the idea that

the Netherlands was the most tol-

One of the early young revolu-tionary spokesmen of the 1960s was Andre van der Louw. He was then editor of a weekly that pleaded for free hashish smoking. Later he became burgomaster of Rotter-dam and quickly developed into one of the most important "harbor barons" ever. Now this Socialist is fairs. One of his recent proposals was to form a civilian army of unemployed youth to carry out

This is another effect of the blend of Calvinism and Anabaptism. Tolerance benefits society to a certain degree. And getting older takes less time than youth thinks. Sooner or later, they become more

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Branches in: Argentina, Brazil, France, Germany, Italy, Netherlands, Singapore, Spain and United

to nuclear weapons were stationed on Alkman's busy market streets distributing information and selling assorted paraphernalia. "There is a whole network of people ready to act at short notice with buttons, posters and organizing protests," Joost said. "They now call it 'Hollanditis' — Holland going against everything the United States does."

### The Difference Between Pacifism and Plain Fear

and below are interviews with prom-inent figures in Dutch political life. They were conducted after the fall of the Van Agt government and before the formation of the new govern-

By Alan Tillier

THE HAGUE — Max van der Stoel, a tall, lean man who was appointed as foreign minister on Sept. 11 - a short-lived position - has always played an active role in organizations devoted to world peace. He has sympathy for the new pacifists in Western Europe, although he stresses that both he and fellow Socialist Joop Den Uyl, leader of the Labor Party, are committed to NATO and are pro-American and anti-Com-

There is a great deal of alarm and fear among the population about nuclear weapons," he said. This is different to pacifism. I went with Den Uyl to the Soviet Embassy to protest about Afghanistan and I found demonstrators wearing CND [nuclear disarma-ment] badges. The churches have come out very strongly against these new missiles [Pershing-2 and Cruise]. Utah and Nevada have their problems, but we are the most crowded place after Hong Kong and Singapore." Mr. Van der Stoel's remarks

during the interview left the strong impression that there would be no

This article and the ones at right new U.S. missiles on Dutch soil as and below are interviews with promner in a coalition government. This is a view shared by most Dutchmen

### NATO Session

decision would pass, if only "because no majority of parliament would accept missiles." Any definite decision would now come at some unspecified date.

There was agreement to disagree between the three coalition partners, the Christian Democrats, the Labor Party and the increasingly important D'66 left-of-center party. Mr. Van der Stoel said that his party stressed the zero option -no deployment of Pershing and Cruise missiles if the Soviet Union reduced to zero its 250 or so new SS-20 intermediate missiles and

for the peace movement, which he said was now a West European phenomenon. "We have to understand what makes them tick. It is wrong to say it is just a Commu-

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At the latest NATO planning session in Scotland, the Dutch did not "reconfirm," as one of the minister's staff members put it, the two-track decision whereby missiles would be installed in tandem with arms control negotiations. The minister indicated that the December deadline for a Dutch

300 old missiles. After saying that a "strong majority of the population is clearly in favor of remaining in NATO," the minister discussed the reasons

ercise." He stressed that the Netherlands' military spending will be 3.4 percent of the budget, the same as West Germany's. "We lay our role considering our size." On other points, the minister said that relations with France were warm, and "we welcome anything that gives a new dimension to European integration ... We

don't feel we can create unemployment by protectionism." This was a reaffirmation of the Dutch determination to pursue an open economy. "We would welcome bringing together the regional, social and agricultural restructuration funds in order to combat unemployment on a European scale.'

Max Van der Stoel

nist plot. People are afraio. There's

moral aspect, which is always

important question in Hol-

Mr. Van der Stoel said that gov-

giving clear and concrete answers

not been successful in convincing

large segments of the population that we are on the right track. I'd

like to see a far clearer demonstra-

tion by NATO of what it is doing

— i.e. meaningful arms control. We also think it is important to analyze the role of 6,000 nuclear war-

heads in Western Europe. We need

a lot more thinking. Conventional weapons and technical innovation

exist to decrease our dependence

on nuclear weapons. I am not for unilateral disarmament, but new thinking as part of an alliance ex-

"We have to realize that we have

to the young generation.

On South Africa, he said: "I am extremely alarmed about develop-ments, both Namibia and apar-

### Labor Union Leader Urges Renewal Plan

By Alan Tillier

THE HAGUE - Wim Kok, head of the Nemerlands largest trade union organization, the FNV, and president of the Enrope-an Trade Unions Federation, calls himself a moderate, but he becomes exited when he says that the average Dutchman does not know what is going on in inner political circles — or at least did not know ouring the latest crisis in The

Hague. He is a tall, slightly stooped man who at 43 has risen to the domi-nant trade union position in his country, although he steadfastly ernments could not cope with the problem by publishing figures of the Soviet buildup. "We have to show we have a policy to curb [rearmament]. NATO should be remains outside government.

Mr. Kok in the interview made

three points: the growing antipa-thy of the man in the street toward politics, the need to encourage smaller, quality industries — cer-tainly industries much smaller than the Dutch multinationals that have dominated the economy and the need to provide the financial means from extra natural gas to provide 1.5 billion guilders a year in supplementary funds for a three to four-year growth program. "The extra money could also be used for energy saving pro-grams, and in that way we could earn it back." It could also be useful if there is going to be a tough

As a union leader, unemployment is his main concern, but in the Netherlands there is considerable confusion about the level of unemployed. The left says the figure is above 400,000, rising to nearly 500,000 in a year or so.

### Disability Funds

Others on the right complain about an estimated 300,000 covered by more or less genuine dis-ability funds. One prominent Dutch bank estimated the real unemployed figure at more than I million — which is true if you count women who would like to

Mr. Kok talks in terms of 400,000 to 500,000 unemployed, or 10 percent, or "European level," of the labor force. He says that it is

proaching i million. There has been a slight growth in public sec-tor jobs, but in the industrial sec-tor up to 40,000 jobs have been iost annually for four to five years. He ticked off the customary reasons - high interest rates, energy and labor costs, drop in foreign markets. Wage measures imposed by the government led to a 20-percent improvement in the Netherlands' competitive position, vet exports increased only marginally, Mr. Kok said.

He added: "We need a program of concrete investments, a renewal of Dutch industry. We are a highly educated people with multinationresearch institutes, technical know-how in questions of the envi-ronment and alternative energy sources, the building and repair of certain types of ships, to aame but one specific example. The union leader stressed that

he wanted concrete short- and long-term proposals rather than endless arguments about amounts. He seeks specificity within the large Dutch investment subsidy program. He is concerned, naturally, with reductions in purchasing power, related indexation and inter-union squabbling. But the main thrust of his argument is that unemployment problems can only be solved by industry sectors working with the government on real jobs to be created by detailed



### And Now Solutions Are Required'

By Alan Tillier

THE HAGUE — Laurens Jan Brinkhorst, No. 2 man in the Democrats '66 party and a rising star of Dutch politics at the age of 44, says that left-of-center parties like his are the future. He has recently been to Britain to meet the new and so far relatively successful Social Democrats of Roy Jenkins. a friend from the days when Mr. Brinkhorst was secretary of state at the Dutch Foreign Ministry for European Affairs. D'66, as its name implies, has

been around a lot longer than the British Social Democrats, but after mixed electoral fortunes the smallest of the coalition parties now seems to have the wind in its sails. At the last poll it more than doubled its parliamentary representa-tion from eight to 17 seats, for 10.9 percent of the vote. All the other parties lost ground but none more so than the Labor Party -53 seats

Noting that 60 percent of gross national product is in the collec-tive sector, Mr. Brinkhorst said: We have reached the limits of the welfare state and now solutions are required. The opinion polls show that the Socialists [the Labor Par-ty] are still losing ground. People are far less class-bound. The class



Laurens Jan Brinkhorst

struggle has lost of its sense for the

Mr. Brinkhorst, who once worked in New York for an inter-national law firm, added: "We are the moderate left, and our kind of party is gaining ground. We stand for the right mix of private initia-tive and collective needs." He mentioned the need for a new social contract, a stabilization of the Dutch collective sector, measures to improve investment, a reduction in the soaring budget deficit, the "phasing" of Socialist proposals

The D'66 party expresses nn-ances on the siting of the new U.S. missiles on Dutch soil, and Mr. Brinkhorst stated almost proudly: We are the least nationalistic of the parties on security. We are pro-Europe, more international. We are looking for new solutions, not just national solutions." He seems disturbed by the swing to the left of the Dutch Socialists, and its implications for security.

technology, new production, he was critical of the other Dutch parties. "None of the other parties has the answers - the Socialists want more redistribution, not produc-tion, the Liberals [the Dutch right] seek to reduce the role of governtitatively, the Christian Democrats have no cohesive policy because they remain a confessional rather than ideological party." Mr. Brin-khorst admitted that there had been no concrete proposals from the previous short-lived government, but the partners, including D'66, are back together, to seek that elusive mix - "government orientation without taking profits from enterprises," as he described

for a massive injection of funds to alleviate unemployment.

be feasible. The presence of salt in the river is also having an extremely destructive effect on the commercially important flower and vegetable growers in the area called Westland. International Meeting Efforts by France, West Germany, the Netherlands, Switzerland and Luxembourg to remedy the Preaching pragmatism, new salt problem have so far not suc-ceeded. On Nov. 17, the five na-

> meeting (Jan. 26 in the Nethernational salt production. The other countries all rejected it because their existing salt productions were already at the level of the market. Several possibilities remain. The Dutch and Germans favor injec-tion into deep subsoil, mainly because they share the expense and injection is several times cheaper than other possibilities. The French government is leaning toward injection for the same reason. But there is strong opposition

tions will try again at a ministerial-

The French came to the last

level meeting in Paris.

which is more than half below sea

It is the source of 80 percent of

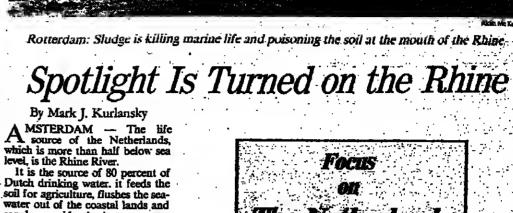
canals, provides basic transporta-

tion through a network of tributar-

ies and canals, and is a food source for man and wildlife. If someone

wanted to attack the Dutch people

level, is the Rhine River.



The Netherlands

in Alsace, where it is feared that Environment agreed with this as-leaks could cause destruction of sessment but complained about

and their economy, they could simply put poison in the Rhine.

Through negligence rather than by design, that is what is being the fresh water supply. done by the Swiss, the West Germans, the French and the Dutch themselves. On its 700-mile course The potash mines are the second most important employer in Al-sace, and the political complica-tions of this issue have gained it through Western Europe to the Netherlands, where it reaches the North Sea, the Rhine is filled with considerable attention. There have been numerous demonstrations, and the Amsterdam-based envisalt, arsenic, mercury, cadmium, chrome, DDT, PCBs, radioactive ronmental group, Stichting Rein-water (Rhine Water Foundation) tritium, petroleum, copper, zinc and lead, to name some sample along with the Westland growers has been engaged in a lawsuit against the French mines (Mines Curiously, the hottest political squabble from all these deadly ingredients, some of which are de Potasse d'Alsace) since 1974. Last year, the Dutch drinking wa-ter companies joined Stichting

ingredients, some of which are thought to cause cancer, is salt. The salt comes partly from Dutch, Swiss, Belgian (the Meuse is a tributary) and West German industry. But 40 percent of it comes from French potash mines in Alsace. Reinwater in a second suit. Willemijn Stracter of Reinwater admits that this action was only picked as a test case because it is easy to trace the source of the salt." At enormous expense, the Dutch are still able to desalinate the wa-ter for drinking. But it is approach-ing a level where this will no longer Other more deadly forms of pollution are difficult to trace to the sources. Reinwater and a West German environmental group have jointly purchased a laboratory boat to monitor the river's pollu-

### tion and identify its sources.

Research is beginning on the possible effect of the numerous nuclear power plants the four nations have built along the river. The-plants have raised the water temperature slightly but it is not thought to be reaching a danger-ous level. However, a certain amount of radioactive matter is

also turning up in the Rhine. The Rhine countries ratified in 1979 an accord on chemical polluand beige lists of substances and fix maximum allowable levels of dumping accordingly. To date they have only moved against mercury highly toxic heavy metal that has

been showing signs of a reduced presence in the river. The Dutch and West German overnments have expressed satisfaction with the progress of the chemical agreement and do not even intend to discuss it at the meeting. The French Ministry of

sessment but complained about the high quantity of toxic heavy metals (mercury, cadmium and chrome) being dumped by the Netherlands and West Germany

Environmentalists such as Miss Straeter believe that politition is entering the river at a faster rate than the governments are acting to remove it. Miss Stracter questions when the governments will have fixed levels and controls for every toxic substance (at least 200) and said that, "in the meantime, the chemical industry invents new products every week, the toxity of which is still unknown.

### Potential Dangers

In 1976, it was found that the Rhine only averaged one organism age was 100). Ecls, sturgeon, shad. and salmon are disappearing as are fishing birds such as the tern. A sludge made up of things such as petroleum, copper, cadmium and zinc is killing all life and poisoning the soil on the polders, particularly around the mouth at Rotterdam. Livestock is becoming diseased and the potatoes from Biesboch have a strong concentration of ar-

Attempts to filter the water through the dunes, environmentalisfs claim, are destroying the coastline. Eels from the Ijssel, which runs from the Rhine to the now and had livered to the threatened Zuider Zee, have been

banned from consumption.

When the Rhine reaches the North Sea, 40 percent to 60 percent of its substances are a unique organically rich breeding ground called the Wadden Sea. The Rhine is thought to be responsible for the numerous toxic substances, including PCBs, which are suspected carcinogens, turning up in this water. These substances rise in concentration and consequence along the food chain and thus are highly visible in the Wadden Sea's seal population, which dropped from 1,500 seals to 400 between



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### GM Mounts Campaign to Dent Labor Costs

.. By William Serrin New York Times Service

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NEW YORK - General Motors has started an unusual campaign to convince its 499,000 employees of the "hard realities that may be required for survival" of the company, according to a private GM memorandum obtained Monday.

A major purpose of the campaign, begun this month, will be to persuade employees to "reduce or eliminate unrealistic expectations about economic gains in the forthcoming

33.

nos

contract negotiations," the memo said, GM, like Ford and Chrysler, is scheduled to begin contract negotiations with the Unit-ed Auto Workers next summer.

Roger Smith, chairman of GM, confirmed in a telephone interview the campaign's existence as outlined in the memorandum, which is to be distributed throughout the company.

Mr. Smith said that jobs of GM employees are at stake and that "it is our obligation and responsibility" to inform the employees "of the competitive struggle we are in." "We want them to know everything," he

It is not unusual for corporations to attempt to convince their employees before labor negotiations to dampen contract de-mands. But this campaign, in the emphasis that the company appears to be placing on it and the detail with which it has been

planned, seems rare in labor-management re-

Page 19 Wednesday, November 18, 1981 \*\*

It is most unusual, too, in campaigns such as this to enlist unions in helping to carry out the program. Questioned about this, Mr. Smith said the UAW had "a big stake in this." He said the union wanted "to be helpful and cooperative."

A union spokesman, Jerry Dale, said in Detroit that the organization had only Monday begun to obtain copies of the plan, which GM calls "The Road to Survival."

Mr. Smith said the corporation was in a Competitive situation like we've oever been in before. We don't like to go in and say 'Your job is gone' and the guy comes back and says, "Why didn't you tell me?" he said.
"We want to be able to say to them, we laid it out to you" and that "if your job is some at least you know "Mr. Smith said.

gone, at least you knew." Mr. Smith said.

The campaign, according to an "implementation kit" being distributed to divisional general managers, is designed to be carried out with the assistance of the auto workers union. If practicable, the campaign also is to use quality of work life programs that GM, in conjunction with the union, has established with the goal of improving employees'

work conditions and attitudes. All bourly and salaried employees are to attend four meetings in groups of 25 to 35 conducted by division and plant general

The implementation kit said that because the unions are important stakeholders in the business, every effort should be made" to "maximize union participation in the plan-ning and implementation" of the campaign.

### Concessions

The campaign also must be seen against a backdrop in which U.S. automakers, which lost more than \$4 billion last year, already

have demanded major contract concessions. Chrysler has received more than \$1 billion in concessions from the auto workers union. American Motors recently said it would ask employees to give up future pay and benefit increases equal to 10 percent of their income. GM executives have often complained of what they describe as the big wage difference es between foreign manufacturers, particu-larly the Japanese, and U.S. companies. Ex-

ecutives say Japanese manufacturers save \$1,000 to \$1,500 in labor costs per car. Saying that how "we perform during the next few years will determine whether the corporation will survive as a producer of motor vehicles," the implementation kit said that employees must have a "complete un-derstanding of the need for sacrifices."

The plan advised managers to "draw upon people from every major function in your or-ganization to provide information" that will tell the company's story "in an accurate, clear and forceful manner,"

### **OECD Trims GNP Forecast** For 2d Half

'82 Growth Outlook Remains Unchanged

By John Bartram

PARIS — Economie growth in the 24-nation Organization for Economic Cooperation and Development in the second half of this year will be lower than previously forecast but the outlook for 1982 growth is roughly unchanged, OECD sources said Tuesday.

They said the rise in second-half They said the rise in second-half gross national product in the OECD area is now forecast to be below last July's forecast of 1 percent on an annual basis.

"Second-half growth will still be positive, but only just," they said.

The sources said last July's forecast of annual GNP growth rates of 2 percent the first half of 1982 and 3 percent in the second half

and 3 percent in the second half

remain "largely unchanged."

They said the OECD's forecasts still see inflation falling oext year, possibly at a slightly faster rate than previously forecast. However, unemployment in the area will probably be higher by end 1982 than last July's predic-

tion of 26.5 million. "We are in a recession with very slow and very low growth rates. However, our forecasts remain largely unchanged," one source

said.
This is because economic policies in the major industrial coun-tries, real oil prices and foreign ex-change rates had not changed sig-nificantly since last July's forecast.

The new outlook will be discussed by senior officials from the 24 countries on Thursday and Friday. The forecasts and these discussions will form the basis for the OECD's semi-annual economic

outlook, due tn be published at year-end. The one uncertain area is the short-term performance of the U.S. economy. They said this un-certainty could affect the ontlook, but added that the U.S. average growth rate is still predicted "not too much different" from the previously forecast 0.5 percent for the second half of 1981 and first half

of 1982. The sources said U.S. budget di-rector David Stockman's revelations last week that be had little confidence in President Reagan's economic policies could affect the discussion at this week's meeting. The remarks could mean the

United States takes a more humble line instead of teaching other countries what to do. Or other countries might say Stockman principle to stem the flood of Japa- a 3-percent share of the market hasn't got it right yet we'll wait oese exports, but had failed to and Italy allows in only 2,200 cars. and see," one source commented.



Jean-Yves Haberer Treasury Chief

Tipped as New **Head of Paribas** 

AP-Dow Jones

PARIS — The director of the French Treasury Jean-Yves Haberer is to be appointed head of the Paribas banking group, it was learned Tuesday.

Mr. Haberer, 48, will replace Pierre Moussa who resigned following the "Paribas affair" last month when the bank's Swiss subsidiary managed to swiss subsidiary managed to avoid coming under French state control. The bank has been headed by Jacques de Fouchier since Mr. Moussa's resignation. Paribas officials were not immediately available

for comment.
Sources said Mr. Haberer, who has held his post as bead of the Treasury since May, 1978, would be appointed officially in the comment when cially by the government when Paribas is nationalized.

### Weidenbaum Says U.S. GNP May Fall 5%

From Agency Dispatches WASHINGTON - In the most pessimistle forecast so far from the Reagan administration, Murray Weidenbaum, Chairman Council of Economic Advisers, said Tuesday that real gross national prod-uct may fall by as much as 5 per-

cent in the current quarter. However, he predicted contin-ued lowering of inflation and inter-

Mr. Weidenbaum also said the GNP adjusted for inflation now is expected to increase only 1 percent in 1982 compared to 1981, measured as an annual average. "It's a lower number than many of us were using earlier this year" he ad-

in its last official forecast in July, the administration projected GNP growth of 3.4 percent next year. Last January, the administra-tion had projected a 4.2-percent in-crease fnr 1982. Last week, Treasury Secretary Donald Regan said the GNP would rise about 2 percent next year. Mr. Regan also predicted a de-

cline of 3-to-3.5 percent in the cur-rent quarter. Mr. Weidenbaum said the economy would decline 3 to 5 percent in the current quarter, measured at an annual rate. Mr. Weidenbaum said recession

will hit bottom during this quarter, be said. "with the worst behind us as 1982 unfolds."

Average economie growth during the first half of 1982 will be zero, Mr. Weidenbaum said. But, as recovery takes hold, the economy will grow at an annual rate of 5 percent during the second half of

1982 "or perhaps better." Mr.

Inflation, meanwhile, will average 7 10 8 percent for 1982 as a whole, measured by either the Cnnsumer Price Index or GNP deflatnr, Mr. Weidenbaum said.

Interest rates, he said, will continue in general to decline, although be coted they often do not move "in a straight line."

"It will be an average recession
— in the middle rank for the postwar period," Mr. Weidenbaum
said. The country has had seven recessions since World War II, ranging from mild to the severe downturn of 1974-75, which was the biggest slump since the Depression of the 1930s.

Mr. Weidenbaum repeated his estimate of last weekend that un-employment "could" rise as high as the 9 percent level reached in 1975, but may not go that high.

Starts of new housing, he said. should increase from around one million this year to 1.3 million to 1.4 million in 1982.

He predicted the country will recover from this recession with less inflation and a healthier economy than in previous business cycles because of long range changes the administration has put into effect lowering of tax burdens and reducing the government's share of

He said his latest economic projections are his own, but are likely to be roughly what the administration comes up with when it sends Congress its next formal set of economic projections in January.

### **Energy Issues Lead Modest NYSE Rebound**

NEW YORK - Strength in the energy sector helped prices on the New York Stock Exchange to close slightly higher Tuesday, but con-cerns about the deteriorating econ-omy prevented any meaningful up-

The Dow Jones industrial average closed up 5.14 at 850.17, its highest level of the day, Advances edged out declines by around 850 to 680 and volume, at 43.3 million shares was nearly unchanged from

Hildegarde Zagorski of Bache
Halsey Stuart Shields described
Tuesday's action as a "technical
bounce," which she said was to be
expected after the 15-point decline
in the Dow Jones average over the past two sessions.

Analysts said investors have become preoccupied with the reces-sion, which appears to be more se-The market is still absorbing the

vocal are, in fact, Americans. "We

didn't bust prices. In fact, we

aren't even the price leader — we're 15 percent higher," protests Jimmy Coe, a Texan who is the

vice president of marketing for Fu-

Japanese companies enjoy certain

built-in strategie advantages in

their drive for the memory-chip

market. Japanese companies have a lower cost of capital and a corpo-

rate mandate to foscus on long-range product goals that frees

them from quarter-to-quarter prof-

Japan has also conferred a fa-

vored status nn its semiconductor

industry, which is supported with subsidies and administrative direc-

tion from the Ministry of Interna-

tional Trade and Industry. More-

over, Japanese universities are gra-

duating large numbers of engineers

at a time when the U.S. suffers an

17.00 17.50%

16.25 16.00%

18.00 18.00%

10.00 11.00%

7.75 9.00%

\* WITH 2 YEAR

acute shortage of engineers.

jitsu's U.S. affiliate.

it pressure.

declines in major economie indicators announced over the last few days, as well as a forecast by Murray Weidenbaum, chairman of the Council of Economic Advisers, that the gross national product may fall between 3 and 5 percent in the current quarter.

REPORTS Revenue and profits, in millions, are in local currencies unless otherwise indicated

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Britain/Netherlands Unilever 2,529, 72,9 0.1963 6.64 1980 Per Share (2) .... 9.15 9 months Revenue..... 7,460. 207.9 

Rhetoric aside, many agree that Canada Pome Petroleum \* 1781 evenue.....

**United States** 

K Mart 3rd Quer.

Analysts noted that even declining interest rates, usually a positive force in the market, are now being read by investors as a further indication that the economy is weaken-

ing.
Energy stocks, buoyed by takeover speculation, were the only
major source of strength in the market. The only real loser in the group was Marathon Oil, the tar-

get of an offer from Mobil.

Marathon dropped 3½ to 75 in active trading while Mobil, the volume leader, rose 1½ to 25%. Du Poot said it plans a \$1 bil-lioo note and debenture offering to refund a portion of the floatingrate debt incurred to acquire Conoco Inc. The offering is the largest single debt offering since International Business Machines

ber 1979. In other corporate oews, Simplicity Pattern said its directors unanimously urged shareholders oot to respond to a tender off by Bayswater Acquisition Corp.

offered \$1 billion of debt in Octo-

**WEEKLY NOTIFICATION** COMPTRENDII A MANAGED COMMODITY ACCOUNT

**Equity on** January 1, 1981: \$100,000.00 **Equity** on November 12, 1981:

\$272,905.67 after all charges

For Information call or write Royall Frazier, or Ian Somerville, TAPMAN: Trend Analysis and Portfolio Manage-ment, Inc., Wall Street Plaza, New York, New York 10005, (212) 269-1041, TELEX BMI 667173 UW. TAPMAN is a wholly owned subsidiery of Balfour, Maclaine International LTD.

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### LONDON — Unilever, reporting a 39-percent rise in attributable profit for the third quarter, said Tuesday that most of its European consumer product groups performed satisfactorily while operating earnings in

North America were somewhat higher than in the year-earlier period. Results from operations in the United Kingdom and Africa were at about the same level as in the year-earlier period, Unilever said. Sales volume rose 1.5 percent.

Nissan Plans to Lease Tennessee Truck Plant

**BUSINESS NEWS BRIEFS** 

Unilever Says North American Business Improved

TOKYO — Nissan Motor, which will manufacture light trucks in the United States starting in late 1983, said Tuesday it plans to lease a truck factory that will be built in Rutherford County, Tenn.

The county will build the factory and lease it to the Japanese firm, which will in turn buy an industrial revenue bond from the county for as much as \$500 million. Nissan will pay lease charges to the county, and the state government will exempt the factory from fixed property tax. Nissan will be the second Japanese company to manufacture vehicles in the United States. Honda Motor, which is building an auto factory in

### Ohio, will start production later oext year. American Air Asks Workers to Take Pay Cut

United Press Internation DALLAS — American Airlines, hard-pressed by its fare war with Dallas rival Braniff, has asked its 35,000 employees to take a 5-percent pay cut through the first quarter of oext year and a freeze for the remainder

American said it had been hard hit by the oeed to match fare cuts by Braniff earlier this month of as much as 50 percent on some routes, "It's absolutely critical that we retain our strong financial condition," a spokesman said Monday, "That's the reason for this proposal."

### Bonn Says Fast-Breeder Project in Doubt

Resters BONN — The joint fast-breeder reactor project at Kalkar in West Germany is in doubt because the Dutch and Belgians refuse to face up to

its spiraling costs, a government spokesman warned Monday. The estimated cost of the reactor has more than trebled to 5 billion Deutsche marks (\$2.2 billion) since the project began in 1972. The new Dutch government said Monday it wanted either to end or restrict its 15percent stake in the project. Belgium, with the same share, is also reconsidering its commitment, a West German Technology Ministry spokes-

Both governments said they would only meet their share of the bill if total costs are held to around 3,2 billion Deutsche marks, he said.

### Office-System Competition Heats Up With New Entries

NEW YORK — Competition in the automated office-products field continued to heat up Tuesday as three more companies introduced products. -The latest entries were announced by Xerox, NCR and min-

icomputer maker Data General. A common feature of the new products was their ability to be linked through some form of local electronic network.

Xerox unveiled four models of an antomatic office typewriter called Memorywriter. The basic model, which will sell for \$1,430. has a memory permitting frequently used paragraphs or phrases to be stored, called up and typed au-tomatically at 20 characters a sec-

with storage capacities of as many Ethernet The machines will also be able to connect with Xerox's Ethernet local area communications networks to be established next year. Ethernet will link different types of office machines electronically

ond. It can be upgraded to models

for high-speed exchange of infor-The Xerox machines will be marketed in Europe by Rank Xerox in London, Rank Xerox's managing director, Paul Allaine, said the typewriters should start contributing to Rank Xerox profits by 1983. He said the company

plans to manufacture the machines NCR weighed in with a wordprocessing system called Work-saver that can operate individually or in clusters by sharing printing and information-storage units. NCR also said it is offering communications capabilities and dataprocessing software for the prod-ucts that will allow users to upgrade the systems.

### Data General Line

First deliveries are scheduled for April 1982. Prices range from \$7,795 for a stand-alone unit to more than \$100,000 for a large

clustered system. Data General described its new line as an "integrated information management" system incorporat-ing electronic mail, electronic filing and word-processing. The com-pany said the system, which oper-ates with its 32-bit Eclipse computer, also offers data-processing and communications features that can

be tailored to users' needs. The system can be linked to a local area network through which as many as 32 of the office units and data-processing units can communicate with one another on

a cable up to a mile long. Two other minicomputer makers, Digital Equipment and Hewlett-Packard, introduced computer-based office systems two

### **CURRENCY RATES**

Interbank exchange rates for Nov. 17, 1981, excluding bank service charges. DAL RA BL GLER B.F.

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CSTerstone: 1201 trials & (a) Composed frame. (b) Amounts seeded to buy one pound. (\*) Units of tall, (x) Volts of 1,000,

### To Reduce Trade Imbalance adopt a broad program to resolve the country's trade disputes. Mr. Miyazawa said that no solutions were specified on how exports would be beld down. Mr. Miyazawa said the council agreed to several measures, includ-

U.S. Puts Pressure on Japan

TOKYO — The United States has put increased pressure on Japan to recrify its heavily favorable trade balance, a Foreign Ministry spokesman said Tuesday.

He said the U.S. government has He said the U.S. government has presented Japan with a set of pro-

posals including removal of Japa-nese import tariffs on 29 items, including computers and auto parts. The proposals were delivered to the ministry by the U.S. Embassy here Monday so that they could be taken into consideration when Japan compiles measures to resolve

trade disputes, the spokesman The United States said its trade deficit with Japan is becoming a political problem that could affect a wide range of relations between

It said Japan should increase its imports, particularly imports of high technology processed goods, according to the Foreign Ministry. On non-tariffs barriers, the United States favors a revision of import procedures and a simplification of inspection standards for plywood, automobiles and processed goods. Earlier, following a meeting by a special Cabinet council on trade problems, Küchi Miyazawa, chief Cabinet secretary, said that gov-ernment ministers had agreed in

By Marilyn Chase

AP-Dow Jones

U.S.-Japanese compension has de-veloped in the computer chip mar-

ket, with the latest battle being fought over the 64K RAM, a ran-

dom-access memory device with a capacity of 64,000 bits of informa-

Introduced by Fujitsu in 1978,

the new chip is well on the way to becoming the standard for the new

generation of computers, word

processors and office equipment.
Although Japan has lagged in its
prolonged push for dominant
shares of the world computer and

high-technology markets in gener-

al, its success so far with memory

chips has been spectacular.

The fight is far from over, but

with the 64K RAM, the Japanese

have a dominant position in the

memory-chip business for the first time. The lead has been built up

over a period of years that some nbservers fear the Japanese may be

heading for a near monopoly in

memory chips.

Starting in the mid-1970s, Japanese companies gained a respectable 15-to-20-percent share of the older-generation 4,000-hit memory chip. As the technology gained, the Japanese roughly doubled their market share with each chip generation.

To 40 percent of the 16K

ation — to 40 percent of the 16K market and now 60 percent of the

Japan's road to market domi-

nance was helped by the 1973-75 recession, which retarded U.S. pro-

ducers' output of 16K chips, and

by Japan's then-growing reputa-tion for making a more reliable chip. Although that reputation was deserved in the past, analysts say, U.S. producers now seem to have

closed the quality gap. But closing the market-share gap will be a big-

SAN FRANCISCO - Fierce

procedures, industrial cooperation with the West and emergency im-ports of rice. No targets were given for the measures, which were de-scribed by Cabinet sources as rela-

ing improved import inspection

**Outlined Program** 

The meeting, attended by Pre-mier Zenko Suzuki, did agree, however, on the outline of a fullscale program to be sent to various ministries for more debate. The outline measures include import tariff reductions, relaxation of import restrictions and the introduction of a foreign currency lending system for emergency im-ports of planes for leasing and im-

Separately, an official for the Ministry of International Trade and Industry said Japan is considering a complaint to GATT, the international trade monitoring agency, over French and Italian curbs

ports of rare metals.

on imports of Japanese cars. France restricts Japanese cars to

### Latest Memory Chip Ignites Fierce U.S.-Japanese Battle company now produces 500,000 of few years and to remain the industhe devices a mouth and that the

they were ready to produce vol-ume. In the end, it was sheer deter-mination."

didn't fumble that market away. We ran afoul of a well-financed

national program to achieve domi-nance," says L.J. Sevin, the found-er of Mostek Corp. "The Japanese had an opportunity to look over our shoulder, and then blew those

markets apart with predatory pric-

es." His complaint is echoed by

Executives of Japanese compa-

nies cry foul, and some of the most

other U.S. executives.

Others are less conciliatory. "We

try's mainstay at least until 1986, when a 256K RAM is expected to momentum will soon pick up. be ready for the market. How the Japanese in general achieved their dominance remains Hundreds of millions of dollars a subject of bitter debate. "The in development costs are being wagered on the 64K RAM market, Japanese were just more aggressive in their development of designs for the memory product — some of and the ruthless cloowing for market share has left most producers which were patented American dewithout profits on the product so signs," says Mr. Eklund. "And

"The bealth, and perhaps even the survival, of some very big com-panies" in the United States rests on the outcome of this battle, one obscrver says.

The U.S. producers have some decided disadvantages in their struggle to overtake their Japanese competitors. The Japanese continue to benefit from the widespread. view, true or not, that their RAMs are more reliable. U.S. compani also contend that Japanese labor costs are lower.

Big market shares are considered essential for profitability because of the buge start-up costs. But U.S. producers are lagging markedly, according to Dataquest, a market research firm. It says the five top producers, with 93 percent of the world market, are Hitachi, with almost 40 percent; Fujitsu, with just over 20 percent; Motoro-la, with just under 20 percent; Texas Instruments, with about 7 per-cent, and Nippon Electric with 6

Hitachi's rise to the front of the pack is a tortoise-and-hare story of determination. Farly in the race, the ballyhooing was coming from Fujitsu, Texas Instruments and Motorola, which issued press re-

leases that appeared premature. "Farly announcements are a marketing game, and some compa-nies didn't have the production capability to back it up," says Mel Eklund, a vice president of Inte-grated Circuit Engineering Corp. Hitachi just dug in and did the

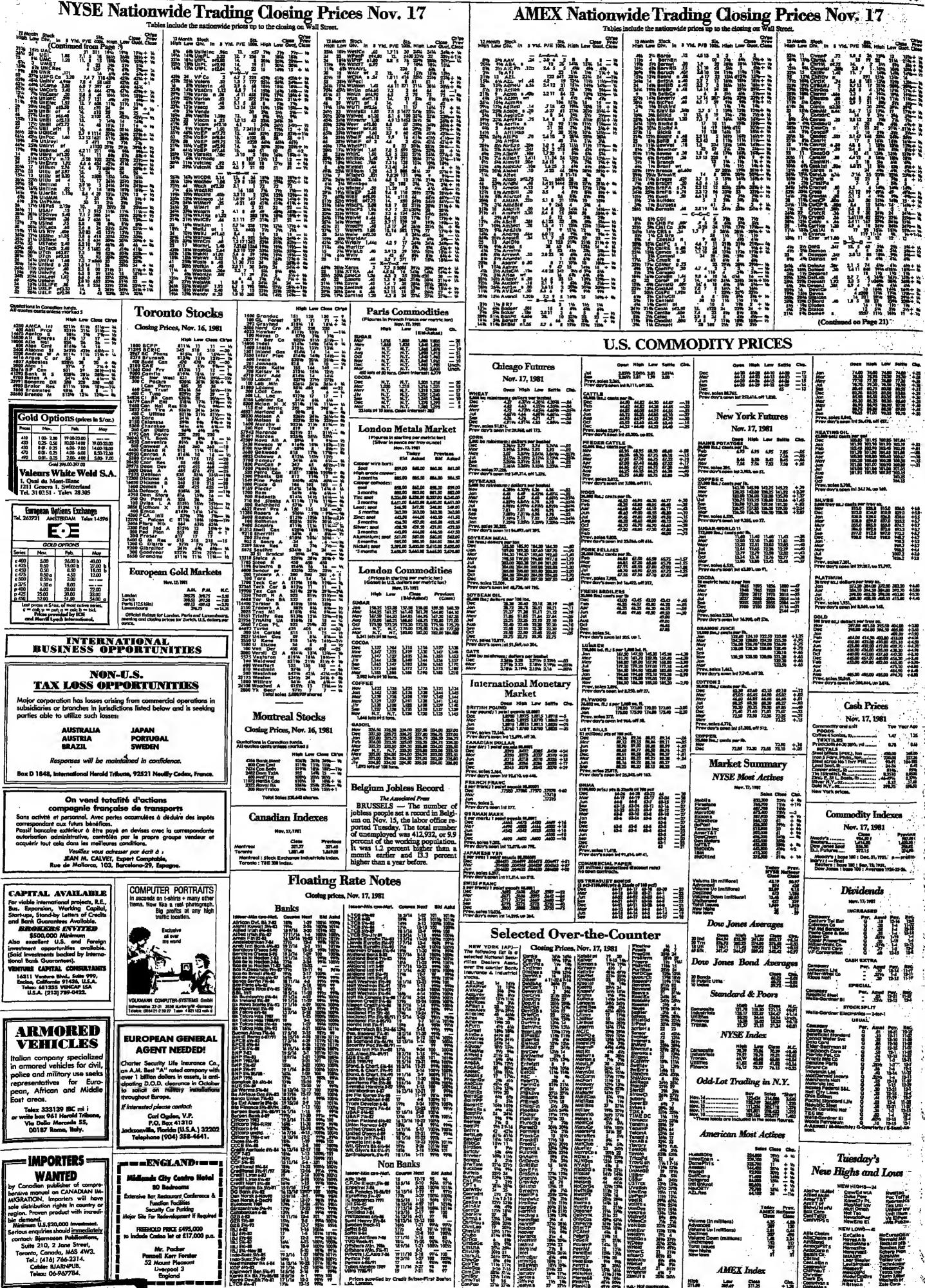
The huge stakes apparently make the effort worthwhile. The Tsugio Makimoto, the deputy general manager of Hitachi's semi-conductor works, says that his 64K RAM is expected to become the semiconductor industry's first billion-dollar product in the next

### Oesterreichische Kontrollbank Aktiengesellschaft

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 18th November, 1981 to 18th May, 1982 the Notes will carry an interest rate of 139% per annum. On 18th May, 1982 interest of U.S.\$336.23 will be

due per U.S.\$5,000 Note for Coupon No. 2. European Banking Company Limited (Agent Bank)

U.S. \$75,000,000 Guaranteed Floating Rate Notes 1986



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# AMEX Nationwide Trading Closing Prices Nov. 17 Tobles include the nationwide prices up to the closing on wall Street. (Continued From Program) (Co

**Eurocurrency Interest Rates** 

Other Stock Markets

Nov. 17, 1981 (Closing prices in local currencies)

23.40 14.70 23.60 107.30 70.90 213.60 19.20 213.60 114.90 114.90 171.50 171.50 27.90 37.90 37.90 37.90

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Hong Kong

Singapore

Sydney

Tokyo

Zurich

440 4,400 1,305 1,720 2,014 475 1,205 1,205 1,400 1,40

| Table | Tabl

| 12 | Month | Stock | High | Low Clots | File | High | Low Clots | High | Low Clots | Clots | File | High | Low Clots | Clots | File | High | Low Clots | Clots | File | High | Low Clots | Clots | File | High | High | Low Clots | Clots | File | High | Hi

ASK FOR IT EVERY DAY. EVERYWHERE YOU GO.

International Herald Tribune

# A winning combination.

The International Monetary Market gave the professionals short-term liquidity. Now we've added flexibility.

For years banks, government securities dealers, and managers of institutional funds have been using our T-bill\* contract to offset interest rate risk tied to short-term cash market positions. The addition of a CD futures contract to the IMM's existing T-bill contract has created a futures market interrelationship that mirrors the cash market, thus allowing professionals to directly hedge cash market risk with a new degree of flexibility. This flexibility and interplay between markets has created, on the IMM, the most liquid CD contract. This assures the best prices and fastest order filling.

Professional traders always assess liquidity before deciding

to enter a market. In short-term futures this is available only through the International Monetary Market. Not only is the IMM T-bill contract the only successful short-term contract in the world, trading over \$20 billion a day, the new CD contract is becoming an industry standard.

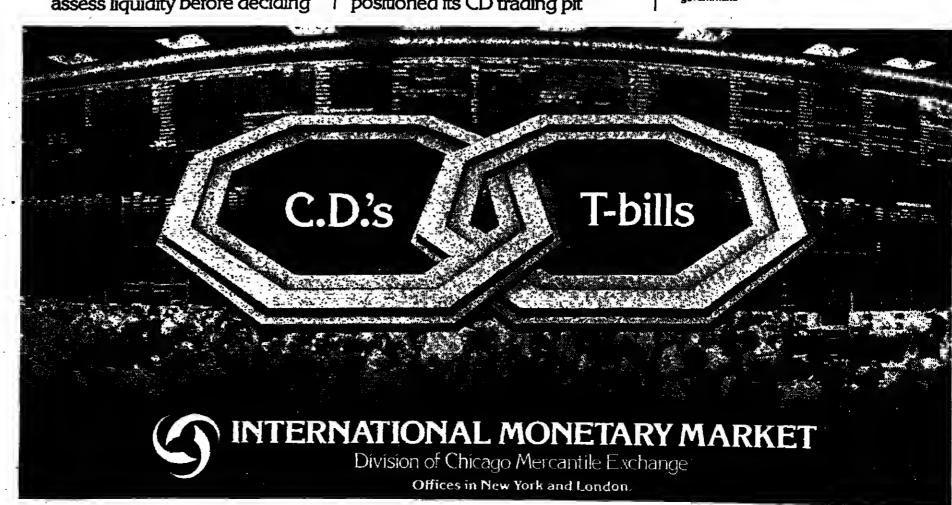
Hedging CD's by using interest rate futures is just one of the many examples of the interlocking relationships that exist in today's domestic and international money markets. Arbitraging between the cash market and the futures market is another. Spreading between CD futures and T-bill futures is yet another. This unusual flexibility is precisely why the IMM has positioned its CD trading pit

next to the T-bill pit. Only the International Monetary Market has the combination of experience, liquidity and now flexibility to allow traders to take advantage of the many interrelationships involving futures contracts.

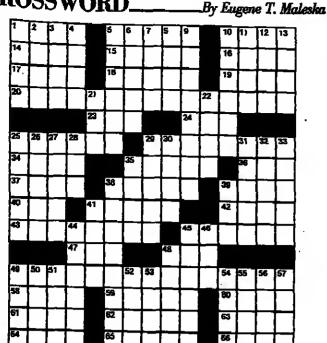
For a copy of the IMM booklet "Inside CD Futures," please write to the International Monetary Market, 444 West Jackson Boulevard, Chicago, Illinois 60606. Or call one of the following IMM numbers:

Chicago 312-930-3048, New York 212-363-7000, London 01-920-0722.

"IMM futures contracts in U.S. government debt are not obligations of any department or agency of the U.S. government.



### **CROSSWORD**



### **ACROSS**

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Other Funds

\$12.45 \$1,421-5 \$1,421-5 \$1,421-5 \$1,421-5 \$1,22

RIO DE JANGIRO

NASSAU

PEKING

- 13 He played Sonny in "The Godfather"
- 21 Chill 22 Relative of Vesuvius 25 Antiered ones 26 Melville work 27 Welles or Bear 28 Pasture sound 29 Purposes
- 30 Opera cape 31 Picador's weapon 32 Type size 33 Staged a revival
- 35 Contender 38 Drudges 39 Pitcher handle 41 Sojourn
- 44 William Teu was one 45 Appraise 46 Chew the fat 48 Shanghai
- native, e.g. 49 Passing fancies 50 He loves, to
- Cato 51 Signature 52 Harvest 53 Humorist Bombeck 54 Martial -
- 55 Jacob's first wife 56 Kind of duck 57 Snowmobile's relative

### It was a dark IF YOU'RE HAVING It was a stormy TROUBLE SELLING YOUR and dark night. and stormy night. WORK, I'D SUGGEST A DIFFERENT APPROACH. U T SHOW ME A MAN WHOSE SMILE AND I'LL SHOW YOU A GUY WITH IS HIS UMBRELLA MUSHROOMS GROWING OUT OF HIS TEETH



















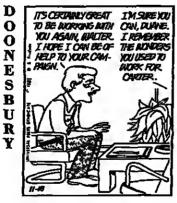
















DENNIS THE MENACE



### JUMBILE THAT SCRAMBLED WORD GAME by Henri Arrold and Bob Lee DROAH HIWSS LENZOZ HOW THE FOOT-WEAR TYCOON STARTED OUT. YATGIE

Now arrange the circled letters to form the surprise enswer, as sug-

Jumbles: RURAL DUCAL BRIDGE PERMIT Answer: What pure art can produce-"RAPTURE"

Imprimé par P.I.O. - I, Boulevard Ney 75018 Paris





<u>"Im still countin' shee</u>p like you said, but I forget what COMES AFTER LEBENTEEN HUNDERD AN' THIRTY-TWELVE."

### **BOOKS**

### A BETTER CLASS OF PERSON An Autobiography

By John Osborne. 285 pp. \$13.75. E. P Dutton, 2 Park Avenue, New York 10016.

### Reviewed by John Leonard

TN "Epitaph for George Dillon," by John Osborne and Anthony Creighton, George says: "I attract hostility, I'm on heat for it," In "In-admissible Evidence," which Osborne admissible Evidence," which Osborne wrote alone and much prefers, Bill Maitland tells the audience, "I myself am more packed with spite and twitching with revenge than anyone I know of, I actually often, frequently, daily want to see people die for their errors." Bill also worries: "And then, then I have always been afraid of being found out." In "A Better Class of Person," the first volume of his autobiography. Osborne finds himself autobiography, Osborne finds himself out, and will attract hostility.

He looks back, of course, in anger. In general, he is angry at England's lower middle class, of which he is the vengeful child. In particular, he reviles his mother, who is still alive. Class and mother, in this fascinating yet unpleasant book, sometimes seem to be the same mean thing, a blacking fac-

Osborne's mother was a barmaid. Osborne's mother was a barmaid, his father a copywriter for a London advertising agency. Relatives on both sides of the family were shabbygenteel, which is to say they felt, in the suburbs, that they had Come Down in the World, and nobody else would be permitted to Upstart if they could hinder it: Don't owe anything to anythody and always have an edge. to anybody, and always have an edge.

Thus: "Spontaneity was bad breath to them." And: "Disappointment was oxygen to them." And: "The grudge was their birthright they pursued with passionate despondency to the grave." And: "Despair would be like staying. up spiritually too late."

As a child, Osborne stayed up too late. His kindly, book-reading father perished of "the White Plague," inherculosis, and so did a sister. The family, downwardly mobile, moved too often. Boys in the schoolyard called him a sissy and beat him up, as he would later punch out a head-master. He suffered from acne, bedwetting, rheumatic fever, friendless-ness and the "black looks" of the smothering barmaid. His frog died and his grandfather are eel pic. "Throughout my childbood no adult ever addressed a question to me."

Even then, he was introspective:
"Perhaps I already had a vague sense that courting and, what's more achieving popularity was not a gift I possessed." And, "I may have felt already that if I had talent it was to very than the statement of the sense." rather than to entertain." Learning early on to smoke out "prigs, hedgers and dissemblers," he multiplied the and dissemoiers, he immunitied use number of people he found it "impos-sible to love" — gardeners and golf-ers, "loud-mouthed actors and loung-ing fairies," smokers of pipes and readers of The Daily Telegraph, shop assistants and ex-waitresses with hernias and arthritic hips and

But oone compares with his mother, portrayed as a monster of malice. He quotes at length from her. letters to him, and each quotation is an occasion for ridicule. She isn't even allowed to vacuum the carpet: "Handing over the Hoover to my mother was like distributing highly sophisticated nuclear weapons to an underdeveloped African nation: (He seems not to care much for Africans, either.) ·

### Black-Market Goodies

Here, according to Osborne, is "the funniest, most enjoyable sight I had ever seen": his terrified mother, "bent at the knees like a crazed gymnast, her knickers below her knees "in a collapsed silky bag," her bottom "fro-zen to the lavatory seat." She had



### gone to the bathroom during the blitz and had been bombed on.

I don't know the lady, but we are talking about years of depression and World War, during which she manworld war, during which she man-aged to put food on his plate and bring back black-market goodies. She is, after all, the same mother who loaned him the money for his first typewriter and his first engagement ring. She kept him going when the dole wouldn't. In exchange, he had to take her to the cinema on Monday. take her to the cinema on Mondaya He concludes: "I am ashamed of her as part of myself that can't be cast out, my own conflict, the disease which I suffer and have inherited, which I am and never could be whole. My disease, an invitation to my sick room." Wow. No wonder the women in his plays are unbelievable.

By this time, a piano has been set on lire and a marriage has fallen apart. We have followed Osborne in the hospital, to a dreadful public school, to Fleet Street where he is an "ace reporter" for the trade journal Gas World, to the provinces with a fourth-rate theater troupe, to Brighton where he lolls away a year with the bountiful Stella if Stella's sential largesse deserves more gratitude than he can muster, well, he is hard on all his benefactors. He is, in fact, hard on everybody, including himself.

Osborne is not a crybaby. Like Jin-my Porter in "Look Back in Anger" my Porter in "Look Back in Anger"

— about to open as this book closss—

he jeers at himself as well as the world. Porter, however, had some important things to say about politics and culture. Osborne, looking back, would prefer to forget that he ever trifled with socialism; he wants instead to be a brawling version of Evelyn Waugh. He complains of Jews, homosexuals, Australians and body odor, "Nothing is noisier," he says, "than a Philistine in pain."

Yes. But how many times can you alarm the bourgeoisic? Maybe one more time. The wrathful wit who hiberated English theater, at age 25, will oow liberate himself, at age 52, if he feels rotten, and he curtainly does, then mother is to blame.

John Leonard is on the staff of New York Times.

### **Best Sellers**

The New York Times

This list is based on reports from more than 1,400 cookstores throughout the United States. Weeks on its are not necessarily consecutive.

FICTION

7 THE CARDINAL SINS, by Andrew M. Greek's

THE THIRD DEADLY SIN, by

Lawrence Sanders.
REMEMBRANCE by Danielle 10 THE LAST DAYS OF AMERS
CA, by Paul Endows.
(1) BREAD UPON THE WATERS,
by Irwin Show.
12 GORKY PARK, by Martin Cite.

(3 NO TIME FOR TEARS, by Cynthis Preman.

14 THE GLITTER DOME, by Joseph Wambangh

(5 NIGHT PROBE, by Clive Curster.

Manifest office of the and

WAS SOLD

CENCE.

### NONFICTION

NEVER-SAY-DIET BOOK, by Richard Simmons THE LORD GOD MADE THEM ALL, by James Herriot.
THE BEVERLY HILLS DIET, by

bowitz 12 THEORY Z, by William G. Onchi 15 ELVIS, by Albert Goldman .....

### BRIDGE

RATHER unusual defensive A RATHER unusual unusual play was needed on the diagramed deal but West did not rise to the occasion.

North-South had borderline game values, and many pairs were content to rest in a part score. Those who tried three no-trump were rewarded, for there was no way for the defense to take more than four tricks. If the bidding began one club — one heart — one spade, as it usually

did, North had an awkward rebid. One no-trump was possible, and so was two no-trump if that was not At one table, as shown, North tried

a raise to two spades, which was not unreasonable. This second-round raise normally shows four-card sup-port, and it induced South to take a rather wild plunge into four spades.

Three hearts, showing three-card support, would have been a better move.

In four spades the deciarer needs a

small miracle in the trump suit: a three-three split with the ace well placed. The miracle was available, but even so he could have been defeated. West hit on the best lead for the defense - the diamond jack - and South won with the ace. A trump was

led to the king and the ten was led. The jack won in the East hand, and a heart was led to the ace. He played his remaining diamond, forcing South to ruff, but the defense was helpless when the declarer led his last trump.

West had the lead but had no more

By Alan Truscott

The winning defense, as West should perhaps have seen, was for him to overtake his partner's spade jack with the ace and lead the diamond

South can ruff, but if he plays his last trump to clear that suit, East can win and cash the diamond king. achieving a one-trick defeat since the heart ace is still to come.

NORTH (D) **♦**K107 VKQ52 ♦ Q8542 WEST EAST **A**A53 4Q39-VA864 OJB ♦ K 10763 **4832** SOUTH **♣8642 VJ109** 

♣AKQ16

Pass Pass: 10 24 Pass Pass West led the diamond jack.

### **Arguello: Rootless Champion**

By George Vecsey New York Times Service

TUCSON, Ariz. — The police officers arrived while Alexis Arguello was in the ring cooling off. The world lightweight champion was wearing the striped robe that made him look like a hooded Bedouin, a modern

Take everything down, they ordered — punching bags, corner pads, weights. The gym was reserved for Police Athletic League amateurs, not the champion of the world. Everybody out on the street. Out.

It was apparent that Arguello's camp had been lured to this Tucson gym by false promises from a local coach, that they had not realized professionals were not allowed in this police gym. But the officers were not interested. Our — right now.

The sweat was still pouring down Arguello's face as he sat in his car. In the back seat was Eddie Futch, the wise old trainer who will handle the corner Saturday when Arguello defends his title against Roberto Elizondo in Las Vegas. Arguello is one of the most mature and intelligent of boxers, yet even his heathy psyche now needed a bit of stroking.

"Aw, what the heck," Futch said. "I've been thrown out of better places than this." Arguello didn't say a word. But his distant gaze said: Me, too. The first time Arguello was evicted was in his native Nicaragua, Armed men took his house, cars, in-

restunents — all carned in foreign boxing rings.
It did not matter that a brother had died with the Sandinista guerrillas just before the change of governments in 1979 or that Arguello had oever given public support to the Somoza regime. All that mattered was that he had been a hero to the wrong people. Although not banned, Arguello now lives in the United States, looking for a base.

At 20, he is only the content of the content of

At 29, he is only the sixth fighter ever to win three championships. Just as Sugar Ray Leonard has transformed the welterweight championship into high society, Arguello could make lightweights fashionable.

The Nicaraguan gained many more tans Oct. 3, when he made the first defense of the lightweight title assainst Ray Mancini in Atlantic City. Sentimental for

against Ray Mancini in Atlantic City. Sentimental favorite Mancini had dedicated himself to gaining a title that had cluded his father during World War II.

After he stopped him in the 14th round, Arguello consoled Mancini in almost perfect English as a live TV mike picked up the spontaneous words:

"I love your father," Arguello said, hugging the loser. "It's the beautiful thing you have, like I have my father. You are going to be a good promise. . . If there is anything I can do for you, let me know."

Arguello could understand Mancini's loyalty to a father, because it was that same loyalty that first sent Arguello into the ring, when he was a pretty good

Arguello into the ring, when he was a pretty good fighter in the streets of Managua.

"You know how it is. I remember one time this guy beat up two of my older brothers and he said now he had to beat me up, too. I said, well, all right, and we fought, and I beat him up."

Arguello says that when he was 14, his father told him he had suffered financial losses, adding, "Everybody better do something soon or we will



Alexis Arguello on the attack against Bobby Chacon in a 1978 super-featherweight match.

EMPLOYMENT.

have nothing left." The dark eyes still light up at the memory of his first \$25 prize. "I told them: Where do I go? How do I sign up? Who did I fight?" Before long, Arguello was helping to support his parents and seven brothers and sisters. "This is why I

do not like what happened to me in Nicaragua," he says. "I had to box to help my family. I carned my

money with my blood."

He acknowledges that he had help from Eduardo Roman, a doctor of law, an economist and teacher who wanted to be Arguello's padron—his sponsor.

"I will never forget this as long as I live." Arguello says. "The first thing Dr. Roman gave me was not a cootract to be my manager - we still have no contract - but it was a book about the second World War because he knew I always wanted to read.

After that, I fought for Dr. Roman, Even now, I fight to see the happy look on his face when I win." According to Manuel Cordero, a press official with the Nicaraguan Embassy in Washington, Arguello had help from "a well-known uncle of Gen. Anastasio Somoza Debayle, named Luis Manuel Debayle, who was in charge of the electrical power company."

Cordero said last week that Arguello "trained in the National Guard barracks."

### Table for One

Responding, Arguello said Saturday: "The Somoza government used me. They held parades because I was the top sports hero of my country, but I never got a penny from them. The most they ever gave me was a medal. I only met Somoza twice. It was not as if we

were having dinner together.

"Of course I trained in the barracks. It was the only gymnasium for boxing in my country. Until I had one built. But I was oot part of the National Guard.

"I wrote them a letter and said: 'If you have any proof that I was ever part of the military, please tell my people. If not, tell my people that.'

"I was never managed by Luis Manuel Debayle. When Dr. Roman was paying me out of his own pocket, he was working for the power company. But

Dr. Roman paid me and was my manager. Debayle was just president of the company. Does that make

As Arguello became featherweight champion in 1974 and the junior lightweight champion in 1978, he lought almost exclusively outside his country. Arguello says he once gave \$4,000 to a Sandinista agent in Mexico, where he was training, "not because I had to but because I wanted to."

He says he used to predict that change would come to Nicaragua. It is possible that his outlook affected his brother, Eduardo, who was 12 years younger. He cannot be sure what made Eduardo decide to fight for the Sandinistas and will never know, because Ednar-do was shot dead at 16 while trying to hold off a government soldier with an empty machine gim.

Arguello says he welcomed the downfall of the Somoza regime in July, 1979, but says he became dis-

Somoza regime in July, 1979, but says he became disillusioned almost immediately.

"They took my motor home," he says. "Now I hear
one of the leaders of the revolution has [it]. A friend
of mine saw the motor home go to the Mercedes agency and they had bulletproof panels put in.

"Some other official is driving my BMW, somebody else my Mercedes. This is not revolution. I could
have sold my cars and given the money to the poor.
But to let thieves like that take my property?

"I have always been an honest person and if I say

"I have always been an honest person and if I say something is wrong, I mean it. They took my property. My sister was living in my house. The soldiers came and told my sister to open the door. She refused. I had told her it was not worth dying, so she property the door and they took my house from the door. opened the door and they took my house from me,"

### Not Quite a Clinic

Cordero says of the Arguello house: "Usually when we expropriate a house from someone, we turn it into a health clinic for the poor." Arguello says friends of his who recently left Nicaragna told him: "There is a Russian living in your house. It is not a clinic."

Arguello has already moved into the elite of boxing, along with Bob Fitzsimmons, Tony Canzoneri, Barney Ross, Henry Armstrong and Wilfred Benitez, who won titles in three weight divisions.

"Alex may not seem very spectacular," says Futch, trainer and guru to many champions, "because he is not always throwing a knockdown putch. But he is very smart. Right up there with the best." Arguello has won 67 fights and lost 4.

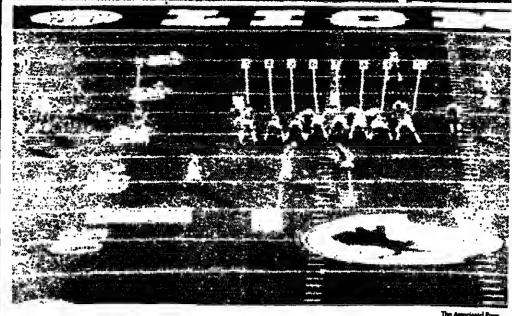
For now, Arguello, acknowledged as one of the best boxers in the world, has left his celebrity status in Nicaragua, along with most of his below to the lead to 17-7. Nicaragua, along with most of his belongings. He said: "I want to fight long enough to make a million dollars. I do not need more than that." He would like to establish a boxing camp where he would teach young men how to read and write and live in public and deal with the press as well as to throw a left book. That was why he was training in Tucson. He was looking to buy his own place — something a govern-ment couldn't take from him, something a couple of police officers couldn't chase him from.

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A print from a Dallas Cowboy film shows that Detroit had a 12th man on the field as the Lions' Eddie Murray kicked a last-second field goal Sunday. The ball was at Dallas 30; with time expiring and no timeouts left, Lion quarterback Eric Hipple hurriedly waved the offensive unit off the field. In the confusion, only regular Lion center Amos Fowler had an inkling something was amiss — because the center on kicks, Tom Turnure, shouldered him over one position. Officials did not detect the infraction and there were no immediate Dallas complaints. NFL Commissioner Pete Rozelle said the result would stand: Lions 27, Cowboys 24.

### Wimbledon Shows Smashing Profit

WIMBLEDON, England - This year's Wimbledoo tennis championships made a record surplus of £1,086,952 — almost \$2 million o help develop the game in Brit-

Sir Brian Burnett, chairman of the All-England Club which runs Wimbledon, announced the profits Monday and said all the money is being handed over to the British Lawn Tennis Association.

"Next year our surplus should be increased because our television revenue will be considerably big-ger," Burnett said. "That is mainly because we will be finishing the tournament with the men's final on Sunday instead of Saturday." Wimbledon always has been a

### Zorn, Doornick Pace Seahawks to 44-23 Triumph

SEATTLE — Quarterback Jim Zorn and Sherman Smith teamed up for a touchdown pass on a fake field goal and Zorn hit Dan Doornink on an 80-yard scoring pass play as the Seahawks trounced San Diego, 44-23, in a National Football League game here Monday night. It was Scattle's first victory over the Chargers in nine tries.

San Diego lost three fumbles and an interception of a Dan Fouts pass (the winners committed no turnovers). The Seahawks made six first downs on Charger penalties, two being pass interference calls that set up touchdowns.
The Seahawks led, 10-7, in the

second quarter when, with fourthand-7 at the Charger 18, they lined up for a field goal. But Zorn, the

San Diego closed to 24-17 by halftime, but late in the third peri-od Zorn found Doornink with a screen pass deep in Seahawk ter-riory; Doornick dodged two tacklers at the San Diego 45 and ontraced the defense the rest of the way. Doornick's 3-yard touchdown run with 12 seconds left in the third quarter put the game away.

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(Continued from Back Page)

training is tax-free. If we spend it 12-day tournament - Monday to Saturday over two weeks. In 1982 an extra day will be added. All standing-room ockers for

Discussing the tournament's huge profits, Burnett said the club will continue its policy of doing without sponsors. It is one of the few major tennis events in the world that has no commercial

The 1981 profits from Wimbledon more than doubled the previous best — £420,810, or about \$760,000. Burnett said that one reason for the increased revenue was the enlargement of Center Court by more than 1,000 seats.

Jim Cochrane, chairman of the British LTA, said the extra money from Wimbledon had come at the right time. "We have lost the sponsor of our schools training program," Cochrane said. "This money will be used partly to keep that

scheme going."
Tennis is affected by peculiarities of the British tax system: Wimbledon has to pay no tax at all on its gigantic tournament revenue, but as soon as the money is handed over the LTA is liable to

"It depends how we use the money," Cochrane said, "What-ever we spend purely on youth

lot of ooise and waking everyone

Wimbledon's semifinals and finals

will all be sold in advance for the

the 1982 tournament. "Local residents objected" to the sidewalk

crowds, said Burnett. "It was not

so much the fact that people had

beds by the side of the road. But they didn't like the fans getting up

early in the morning and making a

McEnroe Fined, Suspended LONDON (AP) — John McEn-roe has been fined \$700 for actions during Sunday's finals of a Grand Prix tournament here against Jimmy Connors. McEnroe was disciplined twice during play — for smashing a ball into the net after a point and for breaking a microphone with his racket.

The fine sent McEnroe above \$5,000 for a 12-month period, which under Grand Prix rules automatically puts him on a 21-day suspension. But that would not keep him from playing in the Dav-is-Cup finals against Argentina Dec. 11-13 in Ciricinnati.

### NFL Standings



SERVICES

### The Associated Press

TEGUCIGALPA, Hooduras — Honduras and El Salvador played a 0-0 soccer rie Monday night, qualifying Honduras for the next year's Wnrid Cup.

### Cup Aspirants Nearing White-Knuckles Time

By Rob Hughes International Herald Tribune LONDON -- Comes the hour of

In London and Paris and Belfast and the Georgian capital of Tbilisi, most of Europe's few remaining World Cup finals places will be decided Wednesday. After that, there will be no reprieve.

Players' nerves are being stretched by nationalistic fervor of epidemic proportions. In such circumstances strong men will break. Men who have earned their every penny and their every ounce of respect on the field will have 90 minutes to justify themselves, 90 min-utes which could damn them for the rest of their days.

You think I exaggerate? Then you should have been close to an

### SOCCER SCENE

England player this week. All the English need is a draw as home against Hungary. Just one point. But the apparent modesty of the task — and the fact that everything, including the abandonment of a week's first-division games, is being done to help them - may rbate the fears.

Those fears are being rammed down the players' throats as Manager Ron Greenwood tries in keep them in reclusive privacy. Over and over, television replays show the England side that failed to beat Poland and was eliminated from the World Cup at Wembley in

Worse, the media focuses on November, 1953, when Hungary exploded the invincibility of Eng-land at Wembley, the magical Ma-gyars tearing the English apart and

winning 6-3.
True, the current Hungarians are not of that class. They have three erratic players bordering on genius — Tibor Nyilasi, Andras Torocsik and Lazlo Kiss — and a veteran but still sharp goalscorer in Lazlo Fazekas. But they also have an unreliable defense, as England demonstrated in Budapest last June, when two superb goals from Trevor Brooking and a penalty from Kevin Keegan defeated

Hungary, 3-1.

But as Fazekas has been swift to point out, the Hungarians carried the pressures then. It desperately oeeded to win - its people expected it. The pressure on the nerves was too great. Now, says the Hun-garian captain, the coin is re-versed. Indeeed it is.

England seeks a psychological boost in fielding the same team but gambles by exhuming the virtually pensioned-off experience of Dave Watson at center-back. At his best solid, dependable and competitive, Watson now is 35 and suffering the accumulation of playing through too many injuries.

He has not only been dropped Southampton for a month, but was not even second choice in a defense that began conceding four goals a game.

So parlous is the English defense, so lacking in confidence af-ter failing to win at Wembley for 12 months, that Watson and others who have failed against the likes of Norway and Switzerland are given a final opportunity to resurrect a World Cup chance seemed gone

lnng ago.
But if playing at home before a
92,000 crowd paying £700,000 has its problems, imagine the task Wales faces. Like England, the small principality seeks a single,

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but it must try to win it in the Soviet Union, where not only is the opponent among the world's strongest, but the journey gets

more daunting by the minute. I am preparing to take that jour-ney with the Welsh team. Its administrators had been all too trusting when the Russians seemed to sanction a direct charter flight to Tbilisi but then, at short notice, rerouted them via Riga (for a fuel stop) and Moscow (for the interminable customs procedures and a

change of plane). If all goes well, we shall have reached Tbilisi in 8 hours, but the tribulations of West Ham United and Greece, teams that arrived knackered after respective trips of 25 and 36 hours, loom menacingly. Is the hig bear cross with little Wales? Maybe, because hack in

May the Soviet team morosely declined all hospitality after it felt Wales had tried in pull a fast one by refusing the players permission to train on the pitch at Wrexham. The field, said the Welsh, could not have stood up to both training and the match.

So suspicing festers, although

the Russians doubtless understand that the mure adverse the situa-tioo, the more apt Wales is to draw on its true strength as a fighting a team. Wales plays best when it is cast as David to unother's Goliath.

### No Need

I hope, for the game's sake, that suspicion dissipates, for I remain a great admirer of the Soviet team. In quality and technique it can outplay Wales and nearly any other side nn earth. It simply doesn't need to cheat by turing the

opposition before play begins.

A team that ought to be tired indeed by late Wednesday is Israel lt visits Belfast nn a euphoric wave, having drowned Portugal, 4 l, in Tel Aviv.
But Northern Ireland is on the

threshold of qualifying for its first World Cup in 25 years. It will hit the inexperienced Israelis with the ultimate in committed agressives-ness. And although flair and creativity may be at a premium, who would deny Ulster, torn by sectarian killings, the hope embodied in a soccer team representing in almost equal oumbers both sides of a religious divide? Sport's contribution is small but dear to the people of that nation,

Across the border, in the Irish Republic, there is nothing soccer folk can do except wait and bope, and maybe offer a little prayer, that France and Holland draw in Paris. That would offer Ireland a tie-breaker against the Dutch. But if Holland wins it will qualify and if France wins it would almost certainly go through in December against the weak Cypriots.

Any result is possible in Paris. The thoroughly unpredictable French are made more so by perpetual team changes. But Michel Platini is suddenly back in goalscoring form; he is likely to be surrounded by Saint-Etienne teammates, and maybe the Gallic brilliance will flow.

If oot, the Dutch, who delve further and further back into the past to lean on the old shoulders of Rund Krol, Arnie Muhren and Johan Neeskens, may in the end outlast them.

Whoever's oerves hold firm on Wednesday will join quelifiers Ar-gentina, Brazil, Chile, Peru, Spain, West Germany, Belgium, Hungary, Italy, Scotland, Poland and Algeria, Near-certainties are Yugoslavia and Austria

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### Observer

### The Eyeball Gambit

By Russell Baker

TEW YORK — I know I ought to be rooting for Viktor Korchnoi to beat Anatoly Karpov, but I'm not I don't care which one wins, even if they are playing for the chess championship of the

I know Karpov is a Commie hero of Soviet chess and Korchnoi

is a Russian defector who hates everything Lenin stands for Obviously you can't root for Karpov. A Karpov victory for communism could encourage the Pentagon to start a multibillion-dollar pro-gram to develop

Baker

the supersonic, invisible-to-radar chess board. I can't afford it. But then Korchnoi doesn't make

my pulse pound either.

For one thing, Korchnoi strikes me as a bad sport. When Karpov is fidgeting about where to move his bishop. Korchnoi says things like, "Quit squirming, little worm."

What really bothers me about Korchnoi, though, is that he wears reflector sunglasses to the chess board. You look into them and see two small reflections of yourself right where somebody else's eyeballs ought to be.

Korchnoi's reflector sunglasses are designed to upset Karper's concentration, and if Karpov is like me, they do the job. When I see somebody in reflector glasses, I always assume he intends to do something terrible and hopes to escape without being recognized.

Of course, not being Russian, I don't really understand chess. Maybe threatening eyeglasses are all part of the game, like throwing toilet paper onto the field is part of baseball. The Russians may be just as outraged about toilet paper on the ball field as I am about menacing shades at the chess board.

During the World Series I kept hearing somebody quoting Prof. Jacques Barzun to the effect that nobody can understand the heart and mind of America without first understanding baseball, Maybe the Russians would understand us a little better if they could grasp the principle of toilet paper on the baseball field.

I'm sure I could understand the

Russians better if I understood chess. I read a novel by Leonid Andreyev once about some Russians waiting to be hanged, and

one of the condemned passed the time by playing chess in his head. The exquisite thing about his punishment seemed to be, not that they were going to hang him, bot that they wouldn't give him a chess board during his final hours.

This didn't stop him. The final triumph was his. He played game after game against himself. In his

Have you ever tried playing chess in your head?

While waiting to be hanged? If you're like me you can't even play chess on the kitchen table while waiting to be fed without losing your queen after the seventh

If I were waiting to be hanged, I wouldn't even be able to play a decent game of hopscotch in my

Everybody finds deep meaning in the Russian passion for chess. It's supposed to tell us something important about Russians, but all it's ever said to me is that Russians are gluttons for despair.

Chess is the only game ever de-vised in which luck plays absolutely no part. If both players play correctly, neither one can win. Chess. games can only be lost. There are no winners, only beneficiaries of the other fellow's mistakes.

This makes it also the most ry loser is the architect of his own doom. He can see with painful clarity the points at which he de-stroyed himself with his own dumbness, laziness, clumsiness, arrogance, etc., etc.

\* \* \*

You have to have a lust for despair to enjoy chess. It's always reminding you that you are digging your own grave. Or waiting to be hanged, like the fellow in the Andreyev story. He was finally hanged in an American story. Lady Luck would have slipped him a hand full of aces as he mounted the gallows, and he would have cashed them in for a

commutation. Maybe that's what Korchnoi is trying with the spooky sunglasses. Trying to introduce the luck factor into the game. At last report he was behind, 5 games to 2. Maybe he should switch to Scrabble New York Times Service

### A Lab for U.S. Educational Strategy

By Charles R. Babcock

Washington Post Service
NEW YORK — Eleven years ago, in response to a 1969 demonstration in which black and Puerto Rican students scaled off part of the campus and renamed it the University of Harlem, the City University of New York startled the academic world with an open-admissions policy.

Today, that policy — which originally guaranteed any city high-school-graduate a place in tuition-free senior or junior colleges - has transformed the city university, one of the nation's largest systems.

Before open admissions, only 8 percent of CUNY's students were minority-group mem-bers. Now, more than half of the system's 172,000-member student body are black or Hispanic. Before the takeover, the system's flagship school, City College of New York, which had been called the "poor man's Harvard," was heavily Jewish. Now its Jewish population is less than 5 percent.

It also has been a national laboratory for the challenges facing higher education. It had to take a leading role in accepting large numbers of minority students, in shaping the remedial programs that more and more students need, and in dealing with financial cuts. CUNY still spends 15 percent of its budget, \$30 million a year, on remedial pro-

### Experiment Is Spreading

Today, the CUNY open-admissions exper-iment is being repeated across the country due to rising costs and a falling college-age

The University of California, which still does not charge tuition at its community colleges, and many state universities in the Mid-

west have had such a policy for years. A College Board survey released early this year showed that 34 percent of the schools surveyed accept every applicant, no matter what his high school record. More than half the others admit everyone who meets their qualifications, turning away few. Only 8 percent of the colleges are now truly competi-

tive, the survey found.

Charles Marshall, executive director of the National Association of College Admissions Counselors, said: "We have glutted the market with higher education opportunities. Now, like the auto industry, we have to retool. It's a subject no one wants to talk about, but we have to start asking: How to go about an orderly demise? How do we contract? We're going to lose some schools. We have to do it gracefully."

### Community Polarized

At CUNY, the drop in admissions standards in 1970 polarized the community. Some viewed it as an overdue experiment in democracy. Others denounced the idea as a violation of academic standards and as political extremism. Vice President Spiro T. Agnew

cates "supercilious sophisticates."

Within a few years, CUNY enrollment shot from 170,000 to 250,000, the largest in the nation. But in 1975, the New 1 wk fiscal crunch forced another change. Tintion was instituted, hundreds of teachers were laid off, the admissions policy was tightened and proliciency tests were required for students. En-

rollment dropped 40,000 in a year. This fall the CUNY campuses are much different than in 1969. The militant mood has softened. Enrollment has stabilized, and CUNY officials say cuts in federal student aid already are causing transfers back to

their schools. CUNY's 1969 student takeover just hur-

ried officials along a path already chosen. Chancellor Albert H. Bowker wanted to begin the program in 1975. The Rev. Timothy Healy, a CUNY vice chancellor at the time and now president of Georgetown University, recalls that Bowker was intent on

CUNY has been a national

laboratory for the challenges facing higher education. It had to take

a leading role in accepting large numbers of minority students.

making the racial mix of the university reflect that of New York City. Thus Bowker probably wasn't all that upset at the forced

speedup, Healy said. The overnight plan said New York high school graduates with an 80 average or in the top half of their class could attend one of the system's four-year colleges. Others could at-

tend a community college.

The early experience showed that the children of white, blue-collar workers benefited most, Healy said. It also showed that open-admissions students were not alone in needing help. About 25,000 of the 40,000 freshman in 1970 went into remedial programs, including 10,000 who would have been admitted before open admissions, he said.

David E. Lavin, who with two colleagues has just written a book on open admissions at CUNY, said that at the time the city's fiscal crisis hit the university in 1975, "there was an increasing view by some members of the Board of Trustees that open admissions was an academic disaster that was eroding if not completely destroying academic standards, and that the public image of the univer-

sity was declining tremendously." Lavin and some others still at CUNY feel that the fiscal crunch gave the board an

called it "madness," and labeled its advo-cates "supercilious sophisticates." excuse to tighten standards, impose profi-ciency tests and charge tuition. Suddenly, ap-plicants had to be in the top third of their high school class and the 80 average was enforced as a real minimum. Passing the proficiency tests became a requirement before a CUNY student could enter his junior year or move from a community to senior college.

As a result, more students were funneled

into the community colleges. Middle class whites left CUNY in large numbers after tui-

CUNY officials insist their lowered admission standards were not matched by easy graduation standards. Lavin noted that only one student in four from the early open-admissions classes eventually graduated. "That's hardly a diploma factory," he said.

A study of 1979 CUNY graduates by institutional researchers Barry Kaufman and James Murtha showed that half the community college graduates and a third of the senior college graduates would never have been accepted before open admissions.

The survey also showed that half of the B.A. degree holders and two-thirds of those

gaining associate degrees had had to take noncredit remedial courses.

But Lavin's research also found that half of the minority students in New York high schools dropped out and thus were beyond the reach of open admissions.

Those who do graduate are heading for college in increasing numbers. Bob Jefferson, a CUNY admissions officer, said increasing demands for skilled employees in New York's growing service economy meant "kids don't have an option not to go to college. There are no Horatio Algers anymore."

### Decline in Liberal Arts

CUNY researcher Murtha said there has been an increasing demand in recent years for business, accounting and computer science courses at the university, with a decline in liberal arts.

The university system is still defensive in spots about the decade of change. But CUNY also exhibits a diversity that would be hard to match. Its students are older and poorer than most, many the first in the family to go to college. More than half work. About 40 percent are 25 years or older. More

than half are women.
William Ihlanfeldt, dean of admissions at highly competitive Northwestern University outside Chicago, said many college officials have been watching CUNY for years to see how it handled problems other schools are

just beginning to face.

Bowker, father of open admissions at CUNY, said be realized standards are set by the quality of students, which has deteriorat-ed at CUNY and elsewhere.

People who whine about the end of the glory days at City College have to realize, he said, that "society just has no alternative but to come to terms with the ethnic population of New York, particularly at a public univer-

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### PEOPLE: Renovated White House To Be Shown to Donors

Donors to Nancy Reagan's mil-iion-dollar decoration of the pri-vate quarters of the White House will have their first glimpse of how their money has been spent at a party there tonight. What they will see is a series of rooms in High Decorator Traditional style, as well as the solarium Rosalym Carter redecorated early in her husband's term. The public can see the remodeling, by California dec-orator Ted Graber, only in Architectural Digest, a slick decorating magazine published in California. The family quarters on the second and third floors of the White House have traditionally been closed to the public, although the public rooms on the first floor are regularly open to visitors. Nancy Reagan is quoted in the magazine as saying that "this house belongs to all Americans." Mrs. Reagan's press secretary says that the White House Historical Association is still soliciting gifts, both for objects for the permanent collection and to pay for the continuing replacement of upholstery and cur-tains. Nancy Reagan collected \$22,000 for the project, plus about \$209,000 for new china,

Who are the most influential women in the United States? According to a poll conducted by the . . the Prince of Wales.

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World Almanac, they are Bure Jean King and Katharine Graham. The tennis player and the chair-man of the Washington Post Co. tied for first place in balloting by news personnel at 80 newspapers across the country to determine the nation's 25 most influential

A West End comedy club has one-upped Prince Charles, whose last week disclosed a collector's passion for old toilets. The club, called The Last Laugh, gave the prince a belated 33d birthday gift. a Victorian toilet seat. The gift was a victorian toilet seat. The gift was presented — appropriately enough a the Privy Purse entrance at the front of Buckingham Palace. However, three policemen on dairy there insisted its proper place was a the service entrance. The Prince of Wales, whose birthday was Saturday, told curators at the National Railway Museum in York about 1 his unusual hobby during a visis there Thursday. London antique dealer James Chuningham, who specializes in period lavatories, came up with what he thought would be the perfect gift for Charles; an 1895 loo, as the English call it emblaroned with the charles. lish call it, emblazoned with what be said looked like the emblem for

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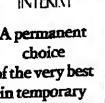
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